

AMALGAMATION AGREEMENT

THIS AGREEMENT dated as of the 23rd day of March, 2012

AMONG:

BASTION RESOURCES LTD., a corporation incorporated under the laws of the Province of British Columbia, with an office at 810 – 675 West Hastings Street, Vancouver, British Columbia V6B 1N2, Canada

(“**Bastion**”)

AND:

ACCLARO MINING CORPORATION, a corporation incorporated under the laws of the Province of British Columbia, with an office at 601 – 570 Granville Street, Vancouver, British Columbia V6C 3P1, Canada

(“**Acclaro**”)

AND:

0934448 B.C. LTD., a corporation incorporated under the laws of the Province of British Columbia, with an office at 1500 – 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7, Canada

(“**Bastion Subco**”)

WHEREAS:

(A) Bastion is a reporting issuer in the Provinces of British Columbia, Alberta and Ontario, with its common shares listed for trading on the Canadian National Stock Exchange;

(B) Acclaro is a private company engaged in the business of developing projects in Argentina to supply high quality agricultural gypsum (di-hydrated Calcium Sulfate) in Latin America;

(C) Bastion and Acclaro executed a non-binding letter of intent dated January 30, 2012 (the “**Letter of Intent**”), in which Bastion and Acclaro agreed, among other things, to enter into a business combination pursuant to which Bastion would acquire all of the issued and outstanding securities of Acclaro;

(D) Bastion and Acclaro have determined that, subject to the satisfaction of certain conditions precedent contained herein, it would be advantageous to complete the transactions contemplated in the Letter of Intent as and by way of a three-cornered amalgamation pursuant to

which Acclaro and Bastion Subco will amalgamate (the “**Amalgamation**”) pursuant to Section 269 of the BCBCA (as defined herein) and in accordance with the terms and conditions of this Agreement, and, on completion of the Amalgamation, former securityholders of Acclaro will receive securities of Bastion; and

(E) Bastion, Acclaro and Bastion Subco seek to enter into this Agreement to set forth their respective covenants, representations, warranties and obligations with respect to the Amalgamation and the transactions contemplated in connection therewith.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the premises and the respective covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, the parties covenant and agree as follows:

PART 1

DEFINITIONS AND INTERPRETATION

Definitions

1.1 In this Agreement, including the recitals and the schedules hereto, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the following meanings:

- (a) “**Acclaro**” means Acclaro Mining Corporation, a corporation incorporated under the laws of the Province of British Columbia;
- (b) “**Acclaro Class B Shares**” means the Class B common shares in the capital of Acclaro;
- (c) “**Acclaro Common Shares**” means the common shares in the capital of Acclaro;
- (d) “**Acclaro Financial Statements**” means the audited consolidated statement of financial position of Acclaro and consolidated statements of comprehensive income, changes in equity and cash flows of Acclaro in the form and covering the periods as required under applicable Securities Laws and the policies of the CNSX;
- (e) “**Acclaro Meeting**” means the annual and special meeting of the Acclaro Shareholders to be held to approve, *inter alia*, the Amalgamation Resolution and any and all adjournments or postponements of such meeting;
- (f) “**Acclaro Preferred Shares**” means the preferred shares in the capital of Acclaro;
- (g) “**Acclaro Shareholder Loans**” means the loans in the principal amount of \$287,442.50 payable by Acclaro to certain Acclaro Shareholders as further described in Schedule “D”;

- (h) “**Acclaro Shareholders**” means the holders of the Acclaro Shares;
- (i) “**Acclaro Shares**” means, collectively, the Acclaro Common Shares, the Acclaro Class B Shares and the Acclaro Preferred Shares;
- (j) “**Acquisition Proposal**” means any proposal or offer made by a third party dealing at arm’s length with Acclaro or Bastion, as the case may be (including a stated intention to make a proposal or offer), regarding a merger, amalgamation, statutory arrangement, share exchange, business combination, recapitalization, take-over bid, tender offer, sale or other disposition of twenty (20%) percent or more of the assets of Acclaro or Bastion, as the case may be (on a consolidated basis), in a single transaction or a series of related transactions (or any lease, long-term supply agreement or other arrangement having the same economic effect as a sale or other disposition of twenty (20%) percent or more the assets of the respective party), reorganization, liquidation, winding-up, sale, issue or redemption of twenty (20%) percent or more of the total number of common shares or rights or interests therein or thereto or the sale or issue of treasury securities or rights therein or thereto or rights or options to acquire treasury securities representing twenty (20%) percent or more of the outstanding common shares of Bastion or Acclaro, as the case may be, any exchange offer, secondary purchase or any type of similar transaction that would, or could reasonably be expected to, in any case, constitute a de facto acquisition or change of control of Bastion or Acclaro, as the case may be, or would or could reasonably be expected to, in any case, result in the sale or other disposition of all or substantially all of the assets of Bastion or Acclaro, as the case may be, (other than the Amalgamation and all other transactions to be completed in connection with the Amalgamation as contemplated in this Agreement);
- (k) “**Agent**” means Jordan Capital Markets Inc.;
- (l) “**Agreement**” means this amalgamation agreement, including the schedules hereto, among Bastion, Bastion Subco and Acclaro, as the same may be supplemented or amended from time to time;
- (m) “**AIH**” has the meaning ascribed thereto in §3.1(f)(i) hereof;
- (n) “**AMH**” has the meaning ascribed thereto in §3.1(f)(ii) hereof;
- (o) “**Amalco**” means the corporation resulting from the amalgamation of Bastion Subco and Acclaro pursuant to the Amalgamation;
- (p) “**Amalco Shares**” means the common shares in the capital of Amalco;
- (q) “**Amalgamation**” has the meaning ascribed thereto in Recital D;
- (r) “**Amalgamation Resolution**” means, collectively, the special resolution of the holders of the Acclaro Common Shares and the special resolution of the holders of the Acclaro Class B Shares approving the Amalgamation, substantially in the form set out in Schedule “G” to this Agreement;

- (s) “**Applicable Laws**” means, with respect to any Person, any domestic (whether federal, state, territorial, provincial, municipal or local) or foreign statute, law, ordinance, rule, administrative interpretation, regulation, order, writ, injunction, directive, judgment, decree or other requirement, all as in effect as of the date of this Agreement and as of the Effective Date, of any Government Authority applicable to such Person or any of its affiliates or any of their respective properties, assets, officers, directors, employees, consultants or agents (in connection with such officer’s, director’s, employee’s, consultant’s or agent’s activities on behalf of such Person or any of its affiliates), including all Securities Laws;
- (t) “**Assets**” means the Facilities, the Mineral Products and Cece’s interest in the Quarry, and includes without limitation, all associated licenses, permits, lease agreements, real property rights, water rights, data, maps, information, technical reports, drill core, samples and assays, exploration tools, equipment, supplies and assets held by Acclaro;
- (u) “**Baron**” has the meaning ascribed thereto in §4.2(s) hereof;
- (v) “**Bastion**” means Bastion Resources Ltd., a corporation incorporated under the laws of the Province of British Columbia;
- (w) “**Bastion Common Shares**” means the common shares in the capital of Bastion;
- (x) “**Bastion Financial Statements**” has the meaning ascribed thereto in §3.2(r) hereof;
- (y) “**Bastion Financing**” means Bastion’s brokered private placement, led by the Agent, to raise aggregate gross proceeds of \$2,500,000, to be raised by the issuance of the Units at a purchase price of \$0.40 per Unit in accordance with applicable prospectus exemptions pursuant to NI 45-106;
- (z) “**Bastion Finder’s Fee**” means a finder’s fee consisting of a total of up to 1,180,000 Bastion Common Shares to be issued on the Effective Date to certain Persons at arm’s length to Bastion, as determined by Bastion and Acclaro, subject to the policies of the CNSX and applicable Securities Laws;
- (aa) “**Bastion Meeting**” means the annual and special meeting of the Bastion Shareholders to be held to approve, *inter alia*, the Reverse Take-Over Resolution and the Bastion Other Resolutions and any and all adjournments or postponements of such meeting;
- (bb) “**Bastion Options**” has the meaning ascribed thereto in §3.2(m) hereof;
- (cc) “**Bastion Other Resolutions**” means the Capital Alteration Resolution, the Consolidation Resolution and the Name Change Resolution;
- (dd) “**Bastion Preferred Shares**” means the preferred shares in the capital of Bastion;

- (ee) “**Bastion Shareholders**” means the holders of the Bastion Common Shares;
- (ff) “**Bastion Subco**” means 0934448 B.C. Ltd., a corporation incorporated under the laws of the Province of British Columbia;
- (gg) “**Bastion Shares**” means, collectively, the Bastion Common Shares and the Bastion Preferred Shares;
- (hh) “**BCBCA**” means the British Columbia *Business Corporations Act*, S.B.C. 2002, c. 57, as amended from time to time, and includes any regulations promulgated thereunder;
- (ii) “**Breaching Party**” has the meaning ascribed thereto in §6.2(c) hereof;
- (jj) “**Business Day**” means any day other than a Saturday, Sunday, a federal holiday in Canada or a day on which banks are not open for business in Vancouver, British Columbia;
- (kk) “**Capital Alteration**” means the amendment to the notice of articles and articles of Bastion to effect the creation of the Bastion Preferred Shares;
- (ll) “**Capital Alteration Resolution**” means the special resolution of the Bastion Shareholders authorizing the Capital Alteration, substantially in the form set out in Schedule “H” to this Agreement;
- (mm) “**Cece**” means Cece S.R.L., a limited liability company registered under the laws of the Republic of Argentina;
- (nn) “**Certificate**” means the Certificate of Amalgamation issued by the Registrar pursuant to Section 281 of the BCBCA;
- (oo) “**Change in Recommendation**” has the meaning ascribed thereto in §4.3(o)(ii)(D) hereof;
- (pp) “**Charter Documents**” means the articles and bylaws or other incorporating documents of a corporation;
- (qq) “**CNSX**” means the Canadian National Stock Exchange;
- (rr) “**Class B Pooling Agreement**” means the voluntary pooling agreement among Bastion and the holders of Acclaro Class B Shares, other than holders of Acclaro Class B Shares who are party to the Escrow Agreement, to be entered into concurrently with this Agreement and attached hereto as Schedule “A”;
- (ss) “**Common Share Pooling Agreement**” means the voluntary pooling agreement among Bastion and the holders of Acclaro Common Shares, other than holders of Acclaro Common Shares who are party to the Escrow Agreement, to be entered into concurrently with this Agreement and attached hereto as Schedule “B”;

- (tt) “**Consolidation**” means the consolidation of Bastion Common Shares and any securities convertible into Bastion Common Shares on a 2.5 for 1 basis, at the completion of which the existing Bastion Shareholders holding 7,884,001 pre-Consolidation Bastion Common Shares as at the date hereof will hold approximately 3,153,600 Bastion Common Shares;
- (uu) “**Consolidation Resolution**” means the special resolution of the Bastion Shareholders authorizing the Consolidation, substantially in the form set out in Schedule “H” to this Agreement;
- (vv) “**Conversion Notice**” has the meaning ascribed thereto in §2.3(c) hereof;
- (ww) “**Convertible Debentures**” means the convertible debentures to be issued by Bastion to the Acclaro Shareholders who have made the Acclaro Shareholder Loans in exchange for settlement of the Acclaro Shareholder Loans at the Effective Time;
- (xx) “**Debenture Holder**” means the holder of a Convertible Debenture;
- (yy) “**Dissenting Shareholder**” means an Acclaro Shareholder who validly exercises the right of dissent available to such holder under Part 8, Division 2 of the BCBCA in respect of the Amalgamation Resolution, and becomes entitled to receive, if the Amalgamation is completed, the payout value of his Acclaro Shares as determined in accordance with the BCBCA as of the close of business on the day preceding the adoption of the Amalgamation Resolution, provided such Acclaro Shareholder has not withdrawn or been deemed to have withdrawn such exercise of dissent rights;
- (zz) “**Effective Date**” means the date shown on the Certificate;
- (aaa) “**Effective Time**” means the time of filing of the Amalgamation Application with the Registrar, which will occur on the Effective Date;
- (bbb) “**Environmental Laws**” has the meaning ascribed thereto in §3.1(q) hereof;
- (ccc) “**Escrow Agreement**” has the meaning ascribed thereto in §2.6 hereof;
- (ddd) “**Facilities**” means all mines and plants including all pits, shafts, haulageways and other underground workings, and all buildings, plants and other structures, fixtures and improvements, and all other property, whether fixed or moveable, as the same may exist at any time in or on the Quarry and relating to the operation of the Quarry as a mine or outside the Quarry if for the exclusive benefit of the Quarry only;
- (eee) “**Financial Services Agreement**” has the meaning ascribed thereto in §4.2(s) hereof;
- (fff) “**First Release Date**” means the date that is four months after the Effective Date;
- (ggg) “**Government Authority**” means any foreign, national, provincial, local or state government, any political subdivision or any governmental, judicial, public or statutory

instrumentality, court, tribunal, agency (including those pertaining to health, safety or the environment), authority, body or entity, or other regulatory bureau, authority, body or entity having legal jurisdiction over the activity or Person in question and, for greater certainty, includes the CNSX and the applicable Securities Commissions;

(hhh) “**Hughes**” has the meaning ascribed thereto in §4.2(u) hereof;

(iii) “**Hughes Consulting Agreement**” has the meaning ascribed thereto in §4.2(u) hereof;

(jjj) “**Ibañez**” means Héctor Eusebio Ibañez;

(kkk) “**IFRS**” means International Financial Reporting Standards, as adopted by the Canadian Accounting Standards Board;

(lll) “**Indemnified Party**” has the meaning ascribed thereto in §8.1 hereof;

(mmm) “**Indemnifying Party**” has the meaning ascribed thereto in §8.1 hereof;

(nnn) “**Information Circular**” means the joint information circular to be provided to the Bastion Shareholders, in respect of the Reverse Take-Over Resolution and the Bastion Other Resolutions, and the Acclaro Shareholders, in respect of the Amalgamation Resolution, and the other matters (if any) to be considered at the Bastion Meeting and the Acclaro Meeting, respectively;

(ooo) “**ITA**” means the *Income Tax Act* (Canada), as amended, and all regulations thereunder;

(ppp) “**Jensen**” means Gregory Jensen;

(qqq) “**Lee**” has the meaning ascribed thereto in §4.2(t) hereof;

(rrr) “**Lee Consulting Agreement**” has the meaning ascribed thereto in §4.2(t) hereof;

(sss) “**Management Agreements**” has the meaning ascribed thereto in §2.9 hereof;

(ttt) “**Material Adverse Change**” or “**Material Adverse Effect**” means, when used in connection with Acclaro or Bastion, any change (including a decision to implement a change made by the directors or senior management of Acclaro or Bastion), effect, event, occurrence or change in state of facts that is, or would reasonably be expected to be, material and adverse to the business, operations, financial condition or results, assets, rights, liabilities or prospects of Acclaro or Bastion taken as a whole, on a consolidated basis, other than any change, effect, event, occurrence or change in state of facts arising from the Amalgamation and all transactions related to the Amalgamation or contemplated by this Agreement or relating to: (i) the economy of British Columbia, Canada or securities markets in general, (ii) the financial services industries in general, and not specifically relating to Bastion or Acclaro, respectively, or (iii) IFRS;

(uuu) “**Material Contracts**” means contracts, agreements and other material documents of a Person of any kind whatsoever including, without limitation, lease agreements, license agreements, assignment agreements, operating agreements, joint venture agreements, acquisition and disposition agreements, employment agreements, shareholder or voting agreements, share purchase or sale agreements, bank and financial institution loans, promissory notes, debentures, general security agreements, subordination agreements and priority agreements that are material to such Person’s business and are not entered into in the ordinary course of such Person’s business;

(vvv) “**Maturity Date**” has the meaning ascribed thereto in §2.3(c) hereof;

(www) “**Mineral Products**” means all end products derived or produced from operating the Quarry as a mine including any tailings or residue from the treatment of any Minerals that are located on or under the Quarry;

(xxx) “**Minerals**” means calcium sulphate dihydrate and any other ores, solutions and concentrates, or metals derived from them, containing precious, base and industrial minerals (including gems) which are found in, on or under the Quarry and may lawfully be explored for, mined and sold under the terms of the Mining Lease Agreement, Applicable Laws and other instruments of title under which the Quarry is held;

(yyy) “**Mining Lease Agreement**” means the Mining Lease Agreement dated December 21, 2010 between Ibañez and Cece pursuant to which Ibañez agreed to lease the Quarry to Cece;

(zzz) “**Name Change**” has the meaning ascribed thereto in §4.2(w) hereof;

(aaaa) “**Name Change Resolution**” means the special resolution of the Bastion Shareholders authorizing the Name Change, substantially in the form set out in Schedule “H” to this Agreement;

(bbbb) “**NI 43-101**” means National Instrument 43-101 *Standards of Disclosure for Mineral Projects* adopted by the Canadian Securities Administrators;

(cccc) “**NI 45-106**” means National Instrument 45-106 *Prospectus and Registration Exemptions* adopted by the Canadian Securities Administrators;

(dddd) “**Non-Breaching Party**” has the meaning ascribed thereto in §6.2(c) hereof;

(eeee) “**Non-Offending Persons**” has the meaning ascribed thereto in §4.3(i) to this Agreement;

(ffff) “**NP 46-201F1**” has the meaning ascribed thereto in §2.6 hereof;

(gggg) “**Parties**” means two or more of Bastion, Bastion Subco and Acclaro and “**Party**” means Bastion, Bastion Subco or Acclaro, each as the context indicates;

(hhhh) “**Person**” means any individual, corporation (including any non-profit corporation), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, labour union, Government Authority or other entity;

(iiii) “**Principal Amount**” has the meaning ascribed thereto in §2.3(a) hereof;

(jjjj) “**Public Record**” has the meaning ascribed thereto in §3.2(f) to this Agreement;

(kkkk) “**Quarry**” means the Estela Cecilia Quarry, located within the Santa Barbara Property in Rio Hondo, Province of Santiago del Estero, Argentina, which is leased to Cece pursuant to the terms of the Mining Lease Agreement, and related mineral exploration rights as provided for in the Mining Lease Agreement;

(llll) “**Registrar**” means the individual appointed as the Registrar of Companies under the BCBCA;

(mmmm) “**Reverse Take-Over Resolution**” means the ordinary resolution of the Bastion Shareholders approving the Transaction, substantially in the form set out in Schedule “H” to this Agreement;

(nnnn) “**Securities Commissions**” means, collectively, the British Columbia Securities Commission, the Alberta Securities Commission and the Ontario Securities Commission;

(oooo) “**Securities Laws**” means the securities legislation having application, the regulations and rules thereunder and all administrative policy statements, instruments, blanket orders, notices, directions and rulings issued or adopted by the applicable securities regulatory authority, all as amended;

(pppp) “**SEDAR**” has the meaning given to it in National Instrument 13-101 System for Electronic Document Analysis and Retrieval (SEDAR) adopted by the Canadian Securities Administrators;

(qqqq) “**Share Registers**” has the meaning ascribed thereto in §3.1(u) hereof;

(rrrr) “**Superior Proposal**” means a *bona fide* written Acquisition Proposal made by a third party with whom Acclaro or Bastion, as the case may be, deals at arm’s length to, directly or indirectly, acquire assets that individually or in the aggregate constitute fifty (50%) percent or more of the assets (on a consolidated basis) of Acclaro or Bastion, as the case may be, or not less than fifty (50%) percent of the common shares of Acclaro or Bastion, as the case may be, whether by way of merger, amalgamation, arrangement, share exchange, takeover bid, business combination, or otherwise, and that the board of directors of Acclaro or Bastion, as the case may be, determines in good faith after consultation with its financial advisors and outside legal counsel: (i) is reasonably capable of being completed without undue delay, taking into account all legal, financial, regulatory and other aspects of such proposal and the party making such proposal; (ii) is not subject to any due diligence condition(s) more onerous than those contained herein; (iii) is fully financed or is reasonably capable of being fully financed; (iv) that is offered

or made to all shareholders in Canada and the United States of Acclaro or Bastion, as the case may be, on the same terms; and (v) would in the opinion of the board of directors of Acclaro or Bastion, as the case may be, acting in good faith if consummated in accordance with its terms (without assuming away the risk of non-completion), result in a transaction more favourable to the shareholders of Acclaro or Bastion, as the case may be, from a financial point of view, than the terms of the Amalgamation;

(ssss) “**Superior Proposal Notice**” has the meaning ascribed thereto in §4.3(p) hereof;

(tttt) “**Technical Report**” means the technical report (as defined in NI 43-101), prepared by a qualified person considered independent of Acclaro and Bastion pursuant to the provisions of NI 43-101, to be addressed to Bastion that recommends a work program on the Quarry acceptable to Bastion, acting reasonably;

(uuuu) “**Termination Date**” means April 30, 2012, or such later date as may be mutually agreed upon by Bastion and Acclaro;

(vvvv) “**Transaction**” means the Amalgamation, the acquisition by Bastion of the Acclaro Shares, the issuance of the Convertible Debentures, and all related transactions incidental thereto as contemplated by this Agreement, which are collectively intended to constitute a reverse takeover of Bastion by Acclaro in accordance with CNSX policies;

(wwww) “**Transfer Agent**” means Computershare Investor Services Inc. at their offices at 510 Burrard Street, 2nd Floor, Vancouver, British Columbia, V6C 3B9;

(xxxx) “**Units**” means the units of Bastion to be issued pursuant to the Bastion Financing, with each Unit to consist of one Bastion Common Share and one-half of one Warrant;

(yyyy) “**U.S. Securities Act**” means the United States Securities Act of 1933, as amended;

(zzzz) “**Warrants**” means, collectively, the share purchase warrants to be issued as part of the Units pursuant to the Bastion Financing, and “**Warrant**” means one whole Warrant. Each Warrant shall entitle the holder to purchase one Bastion Common Share for a period of two years at an exercise price of \$0.60 per share, The Warrants shall be subject to an accelerated expiry if, anytime following the expiration of the four-month hold period, the volume weighted average trading price of the Bastion Common Shares on the CNSX, or any other stock exchange on which the Bastion Common Shares are then listed and where a majority of the trading volume occurs, exceeds \$0.95 for a period of 20 consecutive trading days, in which event the holders of the Warrants will be given notice that the Warrants will expire 30 days following the date of such notice;

(aaaaa) “**Wright**” means Randolph Wright; and

(bbbbb) “**Wright Loan**” means the loan in the principal amount of \$1,002,058.13 payable to Wright by Acclaro.

Currency

1.2 Except as expressly indicated otherwise, all sums of money referred to in this Agreement are expressed and shall be payable in lawful money of Canada.

Interpretation Not Affected by Headings

1.3 The division of this Agreement into Parts, Sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of the provisions of this Agreement. The terms “this Agreement”, “hereof”, “herein”, “hereunder” and similar expressions refer to this Agreement and the schedules hereto as a whole and not to any particular Part, Section or subsection hereof and include any agreement or instrument supplementary or ancillary hereto.

Number and Gender

1.4 Unless the context otherwise requires, words importing the singular number only shall include the plural and vice versa and words importing the use of either gender shall include both genders and neuter.

Date for any Action

1.5 In the event that any day on which any action is required to be taken hereunder by any Person is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.

Time

1.6 Time shall be of the essence in each matter or thing herein provided. Unless otherwise indicated, all times expressed herein are local time, Vancouver, British Columbia.

Accounting Terms

1.7 All accounting terms not otherwise defined in this Agreement have the meanings assigned to them in accordance with IFRS, applied on a consistent basis with prior years.

Schedules

1.8 The following are the Schedules to this Agreement, which form an integral part hereof:

- Schedule “A” Class B Pooling Agreement
- Schedule “B” Common Share Pooling Agreement
- Schedule “C” Acclaro Material Contracts
- Schedule “D” Acclaro Shareholder Loans
- Schedule “E” Form of Amalgamation Application
- Schedule “F” Form of Articles of Amalco
- Schedule “G” Form of Amalgamation Resolution

Schedule "H" Forms of Consolidation Resolution, Name Change Resolution,
Capital Alteration Resolution and Reverse Takeover Resolution
Schedule "T" Bastion Material Contracts

PART 2

AMALGAMATION

Amalgamation

- 2.1 (a) Bastion, Bastion Subco and Acclaro agree to effect the combination of their respective businesses and assets by way of a "three-cornered amalgamation" among Bastion, Bastion Subco and Acclaro pursuant to which Bastion Subco and Acclaro shall amalgamate and the Acclaro Shareholders shall receive Bastion Shares.
- (b) As soon as reasonably practicable following the execution and delivery of this Agreement: (i) Acclaro shall call and hold the Acclaro Meeting for the purpose of approving the Amalgamation Resolution; (ii) Bastion shall call and hold the Bastion Meeting for the purpose of approving the Reverse Take-Over Resolution and the Bastion Other Resolutions; (iii) Bastion shall prepare and mail the Information Circular to the Bastion Shareholders; and (iv) Acclaro shall prepare and mail the Information Circular to the Acclaro Shareholders.
- (c) Upon the approval of the Capital Alteration Resolution, the Consolidation Resolution and the Name Change Resolution by the Bastion Shareholders in accordance with the requirements of the BCBCA, and prior to the filing of the Amalgamation Application in accordance with §2.1(d), Bastion shall complete and file Notice of Articles, in the prescribed form, giving effect to the Name Change, the Capital Alteration and the Consolidation upon and subject to the terms of this Agreement.
- (d) Following approval of the Reverse Take-Over Resolution by the Bastion Shareholders and the Amalgamation Resolution by the Acclaro Shareholders, in accordance with the requirements of the BCBCA, and the filing of the Notice of Articles in accordance with §2.1(c), Bastion Subco and Acclaro shall jointly complete and file the Amalgamation Application, in duplicate, substantially in the form set forth in Schedule "E" hereto with the Registrar, giving effect to the Amalgamation of Bastion Subco and Acclaro upon and subject to the terms of this Agreement.
- (e) Upon the issue of a Certificate giving effect to the Amalgamation:
- (i) Bastion Subco and Acclaro shall be amalgamated and shall continue as one corporation, Amalco, under the terms and conditions prescribed in this Agreement;
- (ii) Amalco shall possess all the property, assets, rights, privileges and franchises and be subject to all the obligations and liabilities, including civil,

criminal and quasi-criminal, and all the contracts, disabilities and debts of each of Bastion Subco and Acclaro;

(iii) a conviction against, or ruling, order or judgment in favour of or against either Bastion Subco or Acclaro may be enforced by or against Amalco;

(iv) Amalco shall be deemed to be the party plaintiff or the party defendant, as the case may be, in any civil action commenced by or against either Bastion Subco or Acclaro before the Amalgamation has become effective.

(f) The name of Amalco shall be “Acclaro Mining Corporation”.

(g) The registered office of Amalco shall be the registered office of Acclaro in the City of Vancouver, in the Province of British Columbia, at 800–885 West Georgia Street, Vancouver, British Columbia, V6C 3H1.

(h) There shall be no restrictions on the business that Amalco may carry on or on the powers Amalco may exercise.

(i) The board of directors of Amalco shall consist of a minimum of one (1) director and a maximum of ten (10) directors, until changed in accordance with the BCBCA. The number of first directors of Amalco shall be one and the first director of Amalco shall be:

<u>Name</u>	<u>Address</u>	<u>Resident Canadian</u>
Randolph Wright	501-570 Granville Street Vancouver, BC	Yes

(j) The said first director shall hold office until the first annual meeting of the shareholders of Amalco, or until his successor is elected or appointed in accordance with the by-laws of Amalco and the BCBCA. The subsequent directors shall be elected each year thereafter by ordinary resolution at either an annual meeting of the shareholders or a special meeting of the shareholders by a majority of the votes cast at such meeting. The director shall manage or supervise the management of the business and affairs of Amalco, subject to the provisions of the BCBCA.

(k) The executive officers of Amalco upon completion of the Amalgamation shall be as follows:

Randolph Wright	-	President and Chief Executive Officer
Herrick Lau	-	Chief Financial Officer and Corporate Secretary

(l) The Articles of Amalco, duly signed by the first director of Amalco, shall be in the form set forth in Schedule “F” attached hereto;

(m) Amalco shall be authorized to issue an unlimited number of common shares.

(n) At the Effective Time of the Amalgamation and as a result of the Amalgamation:

- (i) each of the issued and outstanding Acclaro Common Shares (other than Acclaro Common Shares held by Dissenting Shareholders) shall be cancelled and the holder's name shall be removed from the register of holders of Acclaro Common Shares, and in consideration therefor the holder thereof shall receive one fully paid and non-assessable Bastion Common Share for each Acclaro Common Share held immediately before the Effective Time;
 - (ii) each of the issued and outstanding Acclaro Class B Shares (other than Acclaro Class B Shares held by Dissenting Shareholders) shall be cancelled and the holder's name shall be removed from the register of holders of Acclaro Class B Shares, and in consideration therefor the holder thereof shall receive one fully paid and non-assessable Bastion Common Share for each Acclaro Class B Share held immediately before the Effective Time;
 - (iii) each of the issued and outstanding Acclaro Preferred Shares (other than Acclaro Preferred Shares held by Dissenting Shareholders) shall be cancelled and the holder's name shall be removed from the register of holders of Acclaro Preferred Shares, and in consideration therefor the holder thereof shall receive one fully paid and non-assessable Bastion Preferred Share for each Acclaro Preferred Share held immediately before the Effective Time;
 - (iv) Bastion shall receive one fully paid and non-assessable Amalco Share for each Bastion Subco Share held by Bastion immediately before the Effective Time, and all such Bastion Subco Shares shall be cancelled;
 - (v) as consideration for the issuance of Bastion Shares under §2.1(n)(i), §2.1(n)(ii) and §2.1(n)(iii) hereof, Bastion will receive one Amalco Share for each Bastion Share so issued;
 - (vi) the stated capital of the Amalco Shares shall be equal to the aggregate "paid-up capital", as defined in the ITA, of the Bastion Subco Shares and Acclaro Shares immediately prior to the Effective Time; and
 - (vii) Bastion shall be entitled to deduct and withhold from any consideration otherwise payable pursuant to transactions contemplated by this Agreement to any holder of Acclaro Shares such amounts as it determines are required or permitted to be deducted and withheld with respect to such payment under the ITA or any provision of provincial, state, local or foreign tax law, in each case as amended; to the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the Acclaro Shares in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.
- (o) On the Effective Date:
- (i) subject to §2.1(n), the registered holders of the Acclaro Shares shall become the registered holders of the Bastion Shares to which they are entitled, calculated in accordance with the provisions hererof, and the holders of share

certificates representing such Acclaro Shares may surrender such certificates to the Transfer Agent and, upon such surrender, shall be entitled to receive and, as soon as reasonably practicable following the Effective Date shall receive, share certificates representing the number of Bastion Shares to which they are so entitled; and

(ii) Bastion shall become the registered holder of the Amalco Shares to which it is entitled, calculated in accordance with the provisions hereof, and shall be entitled to receive a share certificate representing the number of Amalco Shares to which it is entitled, calculated in accordance with the provisions hereof.

(p) There shall be no restriction on the transferability of the Amalco Shares.

(q) Subject to the provisions of the BCBCA, the following provisions shall apply to Amalco:

(i) Without in any way restricting the powers conferred upon Amalco or its board of directors by the BCBCA, as now enacted or as the same may from time to time be amended, re-enacted or replaced, the board of directors may from time to time, without authorization of the shareholders, in such amounts and on such terms as it deems expedient:

(A) borrow money upon the credit of Amalco;

(B) issue, re-issue, sell or pledge debt obligations of Amalco;

(C) subject to the provisions of the BCBCA, as now enacted or as the same may from time to time be amended, re-enacted or replaced, give a guarantee on behalf of Amalco to secure performance of an obligation of any Person; and

(D) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of Amalco owned or subsequently acquired, to secure any obligation of Amalco.

(ii) The board of directors of Amalco may from time to time delegate to a director, a committee of directors or an officer of Amalco any or all of the powers conferred on the board as set out above, to such extent and in such manner as the board shall determine at the time of such delegation.

Board of Directors and Officers

2.2 Each of the Parties hereby agrees that, upon completion of the Transaction, the board of directors of Bastion shall consist of six (6) directors and be comprised of the following individuals and management of Bastion shall be comprised of the following individuals:

Randolph Wright	President, Chief Executive Officer and Director (Chairman)
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Herrick Lau	Chief Financial Officer and Secretary
Tariq Malik	Executive Vice-President, Chief Operating Officer and Director
Peter Hughes	Director
Kurt Loewen	Director
Derrick Strickland	Director
Ben Wendland	Director

Convertible Debentures

2.3 Subject to the terms and conditions of this Agreement, at the Effective Time, the Acclaro Shareholder Loans shall be converted into and exchanged, on a pro rata basis, for Convertible Debentures having the following terms and conditions:

- (a) the total principal amount of the Convertible Debentures shall be \$287,442.50 (the “**Principal Amount**”);
- (b) no interest shall be payable in connection with the Convertible Debentures;
- (c) each Debenture Holder shall have the right, by providing notice in writing to Bastion (the “**Conversion Notice**”) at any time until the date that is five (5) years following the Effective Date (the “**Maturity Date**”), to convert its Convertible Debentures, in whole or in part, into Bastion Common Shares at a conversion price per Bastion Common Share equal to \$0.60, subject to adjustment in accordance with the terms and conditions of the Convertible Debentures, and subject to §2.3(g);
- (d) within five (5) Business Days after receipt of the Conversion Notice, Bastion shall issue or cause to be issued and deliver or cause to be delivered to a converting Debenture Holder a certificate registered in the name of such Debenture Holder (or as such Debenture Holder may direct in writing) representing that number of Bastion Common Shares to be issued to such Debenture Holder pursuant to §2.3(c);
- (e) subject to a Debenture Holder’s right of conversion pursuant to §2.3(c), Bastion may, with the prior written consent of the Debenture Holders, redeem at any time and from time to time following the date of issuance of the Convertible Debentures and until the Maturity Date, all but not less than all of the Principal Amount then outstanding by payment of the total Principal Amount then outstanding to each of the Debenture Holders, on a pro rata basis;
- (f) unless all of the Convertible Debentures have been converted into Bastion Common Shares pursuant to §2.3(c) or redeemed pursuant to §2.3(e), Bastion shall repay the Principal Amount outstanding on or before the Maturity Date; and

(g) the conversion right provided for in §2.3(c) will be subject to an accelerated expiry period if the volume weighted average trading price of the Bastion Common Shares on the CNSX, or any other stock exchange on which the Bastion Common Shares are listed and where a majority of the trading volume occurs, exceeds \$0.95 for a period of twenty (20) consecutive trading days, in which event the Debenture Holders will be given notice that the right to convert the Convertible Debentures pursuant to §2.3(c) will expire thirty (30) days following the date of such notice. If the Debenture Holders do not elect to convert the Convertible Debentures by such date, Bastion will be required to repay the Principal Amount outstanding on or before the Maturity Date.

2.4 Notwithstanding anything herein contained, Bastion shall in no case be required to issue fractional Bastion Common Shares upon the conversion of a Debenture Holder's Convertible Debentures. If any fractional interest in a Bastion Common Share would be deliverable to such Debenture Holder upon conversion of its Convertible Debentures, the number of Bastion Common Shares issued to such Debenture Holder shall be rounded up to the next greater whole number of Bastion Common Shares if the fractional entitlement is equal to or greater than 0.5 and shall, without any additional compensation, be rounded down to the next lesser whole number of Bastion Common Shares if the fractional entitlement is less than 0.5.

2.5 Bastion and each Debenture Holder agree that the conversion of the Convertible Debentures into Bastion Common Shares pursuant to §2.3(c) will constitute a full settlement of the debt obligation represented by the Convertible Debentures.

Escrowed Securities

2.6 Acclaro acknowledges and agrees that the Bastion Shares to be issued to or for the benefit of Persons who will be "Principals" (as defined in the policies of the CNSX) of Bastion following the completion of the Transaction will be subject to escrow conditions prescribed by the CNSX pursuant to the terms of an escrow agreement in a form compliant with National Policy 46-201F1 ("NP 46-201F1") and containing the terms applicable to an emerging issuer as set out in NP 46-201F1 (the "**Escrow Agreement**").

Voluntary Pooling Agreements

2.7 Acclaro acknowledges and agrees that sixty (60%) of the Bastion Common Shares to be issued to or for the benefit of Persons holding Acclaro Common Shares, on a pro rata basis, who will not be "Principals" of Bastion following the completion of the Transaction will be subject to the following pooling release conditions pursuant to the terms and conditions of the Common Share Pooling Agreement to be entered into prior to the Effective Date:

(a) on the First Release Date, certificates representing twenty-five (25%) percent of the Bastion Common Shares will be released to such Persons; and

(b) on each four (4) month anniversary of the First Release Date, certificates representing twenty-five (25%) percent of the Bastion Common Shares will be released to such Persons, until all of the Bastion Common Shares have been released to such Persons.

2.8 Acclaro acknowledges and agrees that the Bastion Common Shares to be issued to or for the benefit of Persons holding Acclaro Class B Shares who will not be “Principals” of Bastion following the completion of the Transaction will be subject to the following pooling release conditions pursuant to the terms and conditions of the Class B Pooling Agreement to be entered into prior to the Effective Date:

- (a) on the First Release Date, certificates representing twenty-five (25%) percent of the Bastion Common Shares will be released to such Persons; and
- (b) on each four (4) month anniversary of the First Release Date, certificates representing twenty-five (25%) percent of the Bastion Common Shares will be released to such Persons, until all of the Bastion Common Shares have been released to such Persons.

Management Agreements

2.9 On or before the Effective Time, Bastion shall enter into employment, consulting or management agreements (collectively, the “**Management Agreements**”) with the following persons, which will include, among other things, the following basic terms:

- (a) Wright shall act as the President and Chief Executive Officer of Bastion, upon terms satisfactory to Bastion and Wright, acting reasonably, in consideration for payment of \$15,000 per month (plus applicable taxes). In addition, Wright will be entitled to a bonus of \$120,000 upon the attainment of certain milestones to be mutually agreed upon by Wright and Bastion;
- (b) Herrick Lau shall act as the Chief Financial Officer and Corporate Secretary of Bastion in accordance with the terms of the Financial Services Agreement to be entered into between Baron and Bastion under §4.2(s); and
- (c) Tariq Malik shall act as the Executive Vice-President and Chief Operating Officer of Bastion, upon terms satisfactory to Bastion and Tariq Malik, acting reasonably, in consideration for payment of \$14,000 per month (plus applicable taxes). In addition, Tariq Malik will be entitled to a bonus of \$112,000 upon the attainment of certain milestones to be mutually agreed upon by Tariq Malik and Bastion.

PART 3

REPRESENTATIONS AND WARRANTIES

Representations and Warranties of Acclaro

3.1 Acclaro hereby represents and warrants to and in favour of Bastion that as of the date hereof and at the Effective Time:

- (a) Acclaro is duly incorporated and validly existing under the laws of the Province of British Columbia and is, with respect to its filings of annual reports with the applicable regulatory authority, in good standing;
- (b) Acclaro has all necessary corporate power to own the Assets and to conduct its business as such business is now being conducted and, to the extent required, Acclaro is duly registered and licensed to carry on business in the jurisdictions in which it carries on business or owns property;
- (c) Acclaro is qualified to conduct business in the jurisdictions where it is necessary to perform its obligations under each of the Material Contracts, as applicable;
- (d) Acclaro may execute, deliver and perform this Agreement without the necessity of obtaining any consent, approval, authorization or waiver, or giving any notice or otherwise, except:
 - (i) consents, approvals, authorizations and waivers which have been obtained and are unconditional, and in full force and effect, and notices which have been given on a timely basis,
 - (ii) the approval of the Amalgamation Resolution by holders of not less than the requisite percentage of the Acclaro Shares represented in person or by proxy at the Acclaro Meeting,
 - (iii) the filing of the Amalgamation Application with the Registrar under the BCBCA, and
 - (iv) those which, if not obtained or made, would not prevent or delay the consummation of the Transaction or otherwise prevent Acclaro from performing its obligations under this Agreement and would not be reasonably likely to have a Material Adverse Effect on Acclaro;
- (e) all Material Contracts of Acclaro and all amendments and extensions thereof are listed in Schedule "C", and true and complete copies of each have been made available to Bastion. Acclaro is not in default or breach of its obligations under its Material Contracts and to the knowledge of Acclaro, there exists no state of facts which, after notice or lapse of time or both, would constitute such a default or breach, and all such contracts are now in good standing and in full force and effect without amendment thereto and Acclaro is entitled to all benefits thereunder. Further, there are no outstanding material disputes under any such contracts and no consents, releases, waivers or approvals are necessary under such contracts with regard to the transactions described in this Agreement. Acclaro is not aware of any other party having an intention to terminate, either by notice or breach, any Material Contract made with Acclaro;
- (f) Acclaro does not own or control, directly or indirectly, any interest in any other corporation, association, partnership, joint venture or other business entity, other than the following:

- (i) Acclaro International Holdings Ltd. (“**AIH**”), a corporation incorporated under the laws of British Columbia, of which Acclaro is the sole shareholder,
 - (ii) Acclaro Mining Holdings Ltd. (“**AMH**”), a corporation incorporated under the laws of British Columbia, of which Acclaro is the sole shareholder,
 - (iii) Cece, a limited liability company registered under the laws of the Republic of Argentina, of which five (5%) percent of the outstanding quotas are held by Jensen in trust for AIH, five (5%) percent of the outstanding quotas are held by Jensen in trust for AMH, forty-five (45%) percent of the outstanding quotas are held by Wright in trust for AIH and forty-five (45%) percent of the outstanding quotas are held by Wright in trust for AMH, and
 - (iv) Acclaro Mining Argentina Corporation S.A., a limited liability company registered under the laws of the Republic of Argentina, of which twenty-five (25%) percent of the outstanding share capital is held by Jensen in trust for AIH, twenty-five (25%) percent of the outstanding share capital is held by Jensen in trust for AMH, twenty-five (25%) percent is held by Wright in trust for AIH and twenty-five (25%) percent is held by Wright in trust for AMH;
- (g) at the Effective Time, no Person has or will have any right, agreement or option, present or future, contingent or absolute, to acquire any securities of Acclaro or any right capable of becoming a right, agreement or option to acquire any securities of Acclaro except for Bastion pursuant to this Agreement;
- (h) Acclaro has the power, authority and capacity to enter into this Agreement and to carry out its obligations hereunder and to complete the Transaction, subject to the approval of the Amalgamation Resolution by the Acclaro Shareholders;
- (i) the board of directors of Acclaro has unanimously: (i) approved the Transaction and the execution, delivery and performance of this Agreement and (ii) directed that the Amalgamation Resolution be submitted to the Acclaro Shareholders at the Acclaro Meeting, and unanimously recommended approval thereof;
- (j) pursuant to the Mining Lease Agreement, Cece has the right to exploit certain mineral resources located on the Quarry;
- (k) Ibañez is the registered and beneficial owner of the Quarry and, other than interests in favour of Ibañez as provided for in the Mining Lease Agreement, the Quarry is free and clear of all liens, charges, claims, options, agreements or right of any kind to acquire all or any portion of the Quarry and no taxes or rentals are or will be due in respect of the Quarry;
- (l) the Quarry has been properly recorded pursuant to all Applicable Laws in Argentina and is currently in good standing with respect to all filings, fees, taxes, assessments, work commitments or other conditions;

(m) Acclaro has duly filed or made all reports and returns required to be filed by it with any Government Authority and has obtained all permits, licenses, consents, approvals, certificates, registrations and authorizations which are required in connection with its business and operations and the Quarry;

(n) all material data and information relating to the Quarry and the Assets has been made available to Bastion for inspection or otherwise disclosed to Bastion;

(o) there are no actions, suits, judgments, investigations or proceedings of any kind whatsoever outstanding, pending or threatened with respect to the Assets or the Quarry or affecting the Assets or Quarry, at law or in equity or before or by any Government Authority of any kind whatsoever, and there is no basis therefor, and Acclaro and its management are not, to the best of their knowledge, in breach of any law, ordinance, statute, regulation, by-law, order or decree of any kind with respect to the Assets or the Quarry;

(p) Acclaro has not entered into any agreement, option, understanding or commitment or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, option or commitment of any kind whatsoever, for the acquisition of any portion of the Assets;

(q) Acclaro has used, maintained and operated the Assets and the Quarry in compliance with all applicable environmental statutes, regulations, ordinances, by-laws and codes (the “**Environmental Laws**”), and, to the best of Acclaro’s knowledge, there is no pending or threatened environmental claim against Acclaro with respect to the Assets or the Quarry, and no condition exists or event has occurred which, with or without notice or the passage of time or both, would constitute a violation of or give rise to a liability under any applicable Environmental Laws;

(r) the execution and delivery of this Agreement has been, and all other agreements or documents contemplated hereunder will be, on or before the Effective Time, duly authorized, executed and delivered by Acclaro, and this Agreement constitutes a legal, valid and binding obligation of Acclaro, enforceable against it in accordance with its terms, except:

(i) as may be limited by bankruptcy, reorganization, insolvency and similar laws of general application relating to or affecting the enforcement of creditors’ rights or the relief of debtors, and

(ii) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defences and to the discretion of the court before which any proceeding therefor may be brought;

(s) neither the acceptance and delivery of this Agreement, nor the completion of the Amalgamation or the other transactions contemplated hereby will conflict with or result in any breach of any of the terms and provisions of, or constitute a default under, the incorporating documents, directors or shareholders minutes of Acclaro, or any agreement

or instrument to which Acclaro is a party, or any order, decree, statute, regulation, covenant or restriction applicable to Acclaro;

(t) the businesses and Assets of Acclaro are insured against loss or damage with coverage of types and in amounts consistent with the types and amounts of insurance maintained by corporations and other entities of a size and carrying on business of a type carried on by Acclaro and cover all risks prudently and reasonably foreseeable in the question of its business. All such policies shall remain in full force and effect and shall not be cancelled or otherwise terminated as a result of the transactions contemplated hereby;

(u) the authorized share capital of Acclaro is as described in the certified copies of the Acclaro Common Share register, the Acclaro Class B Share register and the Acclaro Preferred Share register (collectively, the “**Share Registers**”) to be provided to Bastion, and all of such Acclaro Shares are issued and outstanding as fully paid and non-assessable shares and are registered and beneficially owned by the Persons and in amounts described in the Share Registers;

(v) no holder of the Acclaro Shares is a U.S. Person (as defined in the U.S. Securities Act);

(w) there are no outstanding share purchase warrants, broker options, options or other rights or other arrangements under which Acclaro is bound or obligated to issue additional shares in its capital, or warrants, broker warrants, options or other rights to acquire shares in its capital, other than the obligation of Acclaro to issue Acclaro Common Shares upon the due conversion of the Acclaro Class B Shares and the Acclaro Preferred Shares, or to issue Acclaro Class B Shares upon the due conversion of certain outstanding convertible promissory notes, and, to the knowledge of Acclaro, the Acclaro Shares are not subject to the terms of any shareholder or voting trust agreement;

(x) none of the Acclaro Shares have been issued in violation of any laws, Acclaro’s Charter Documents or any agreement to which Acclaro is a party or by which it is bound;

(y) there are no actions, suits or proceedings, judicial or administrative (whether or not purportedly on behalf of Acclaro), pending or threatened by or against Acclaro at law or in equity, or before or by any Government Authority and Acclaro is not aware of any existing ground on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success;

(z) the Acclaro Financial Statements are based on the books and records of Acclaro and prepared in accordance with IFRS, and accurately reflect the financial position and all material liabilities (accrued, absolute, contingent or otherwise) of Acclaro at the date thereof and the results of the operations for such periods. No information has come to the attention of Acclaro since the date of the most recently issued Acclaro Financial Statements that would, or would reasonably be expected to, require any restatement or revision of any such financial statements;

(aa) Acclaro has no material indebtedness, liabilities or obligations, secured or unsecured (whether accrued, absolute, contingent or otherwise), which are not disclosed in the Acclaro Financial Statements, except for those incurred in the ordinary course of business and those incurred in connection with the transactions contemplated by this Agreement;

(bb) other than consulting agreements entered into in the ordinary course and any agreements pertaining to the Wright Loan or the Acclaro Shareholder Loans, there are no contracts with Acclaro, on the one hand, and: (i) any director or officer of Acclaro; (ii) any holder of five (5%) percent or more of the equity securities of Acclaro; or (iii) any associate or affiliate of a Person in (i) or (ii), on the other hand;

(cc) except for Acclaro's Material Contracts and any agreements pertaining to the Wright Loan or the Acclaro Shareholder Loans, as of the date hereof, Acclaro is not a party to or bound by any contract, lease, agreement, instrument, license, commitment, order, or quotation, written or oral:

(i) relating to capital expenditures or improvements in excess of \$1,000,000 in the aggregate,

(ii) relating to management, consulting or any other similar type of contract or agreement which involves an amount exceeding \$150,000 per annum, excluding those which may be terminated without penalty on three months' notice or less,

(iii) which contemplates payment on or as a result of a change of control of Acclaro (whether on termination of such agreement, on occurrence of any other event or circumstance, or after notice or lapse of time or otherwise), other than consulting agreements entered into in the ordinary course,

(iv) with a bank or other financial institution relating to borrowed money,

(v) relating to the existence or creation or purchase or sale of any bonds, debentures, notes or long-term debts,

(vi) relating to outstanding letters of credit or constituting an agreement of guarantee or indemnification of the obligations or liabilities (contingent or otherwise) of any other Person or relating to commitments to purchase the assets of any other Person or to guarantee the price thereof,

(vii) relating to the acquisition or disposition of any shares or securities of any entity,

(viii) relating to the acquisition or disposition or lease of any business operations or real property,

(ix) limiting or restraining Acclaro from engaging in any activities or competing with any Person,

- (x) which involves the use of a derivative, including any forward contracts or options, or
- (xi) relating to the existence or creation of any bona fide offer of an opportunity (including a joint venture opportunity) to any Person;
- (dd) except the Wright Loan and the Acclaro Shareholder Loans:
 - (i) Acclaro is not indebted to the Acclaro Shareholders or any one of them, whether by way of shareholder loan, unpaid, accrued or deferred compensation or otherwise,
 - (ii) none of the Acclaro Shareholders or any other officer, director or employee of Acclaro is indebted or under obligation to Acclaro on any account whatsoever, and
 - (iii) Acclaro has not guaranteed or agreed to guarantee any debt, liability or other obligation of any kind whatsoever of any Person of any kind whatsoever;
- (ee) except as contemplated by the Amalgamation and this Agreement, since December 31, 2011:
 - (i) there has been no Material Adverse Change to Acclaro,
 - (ii) Acclaro has not:
 - (A) sold, transferred, distributed or otherwise disposed of or acquired a material amount of its assets, or agreed to do any of the foregoing, except in the ordinary course of business,
 - (B) incurred any liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) which has had or is likely to have a Material Adverse Effect on Acclaro,
 - (C) prior to the date hereof, made or agreed to make any material capital expenditure or commitment for additions to property, plant, or equipment in excess of \$1,000,000,
 - (D) made or agreed to make any material increase in the compensation payable to any employee or director except for increases made in the ordinary course of business and consistent with presently existing policies or agreements or past practice,
 - (E) conducted its operations other than in all material respects in the normal course of business, or
 - (F) agreed or committed to do any of the foregoing, and

- (iii) there has not been any declaration, setting aside or payment of any dividend or other distribution with respect to Acclaro's capital stock;
- (ff) Acclaro has not incurred any liability for brokers' or finder's fees of any kind whatsoever with respect to this Agreement or any transaction contemplated under this Agreement;
- (gg) except for an HST return to be prepared by Acclaro for the year ended December 31, 2011, Acclaro has filed with appropriate taxation authorities, federal, provincial and local, all returns, reports and declarations which are required to be filed by it, and no taxing authority is asserting or has, to the knowledge of Acclaro, threatened to assert, or has any basis for asserting against Acclaro, any claim for additional taxes or interest thereon or penalty;
- (hh) Acclaro has never had any reportable disagreement with its present or any former auditor of Acclaro;
- (ii) Acclaro has not entered into any contract, commitment or arrangement, whether written, oral or implied, with any Person whatsoever relating to employment which contains any specific agreement as to notice of termination or severance pay in lieu thereof or which cannot be terminated without cause upon giving reasonable notice as may be implied by law without the payment of, or any liability in respect of, any bonus, damages, share of profits or penalty, and there are no policies or practices of Acclaro which confer benefits in the employees of Acclaro or result in obligations of Acclaro with respect to its employees;
- (jj) Acclaro does not have a pension, stock option or stock purchase plan or a profit sharing, incentive or bonus plan or other deferred compensation plan, or an employee group insurance plan, hospitalization plan, disability plan or other employee benefit plan, program, policy or practice, formal or informal with respect to any of its employees;
- (kk) there are no employees of Acclaro that Acclaro considers it has the right to terminate for cause, and no employee has made any claim or has any basis for any action or proceeding against Acclaro arising out of any statute, ordinance or regulation relating to discrimination in employment or employment practices, harassment, occupational health and safety standards or workers' compensation;
- (ll) to the knowledge of Acclaro, no employee or consultant has made, or has any basis for making any claim (whether under law, any employment or consulting agreement or otherwise) on account of or for: (i) overtime pay; (ii) wages or salary; (iii) any bonus, raise or other compensation or remuneration; (iv) other time off, sick time or pay in lieu; or (v) any violation of any statute, ordinance, or regulation relating to minimum wages or the maximum hours of work;
- (mm) all information relating to the business, assets, liabilities, properties, capitalization or financial condition of Acclaro provided by Acclaro or any of its representatives or advisers to Bastion is true, accurate and complete in all material respects; and

(nn) except as disclosed in this Agreement, Acclaro does not have any information or knowledge of any fact relating to the Assets or any indebtedness of Acclaro or the transactions contemplated hereby which might reasonably be expected to have a Material Adverse Effect on any of the Assets or the organization, operations, affairs, business, properties, prospects or financial condition or position of Acclaro.

Representations and Warranties of Bastion and Bastion Subco

3.2 Each of Bastion and Bastion Subco hereby represents and warrants to and in favour of Acclaro that as of the date hereof and at the Effective Time:

(a) each of Bastion and Bastion Subco is duly incorporated and validly existing under the laws of the Province of British Columbia and is, with respect to its filings of annual reports with the applicable regulatory authority, in good standing;

(b) each of Bastion and Bastion Subco has all necessary corporate power to conduct its business as such business is now being conducted and, to the extent required, it is duly registered and licensed to carry on business in the jurisdictions in which it carries on business or owns property;

(c) other than Bastion Subco, Bastion does not own or control directly or indirectly, any interest in any other corporation, association, partnership, joint venture or other business entity;

(d) Bastion and Bastion Subco may execute, deliver and perform this Agreement without the necessity of obtaining any consent, approval, authorization or waiver, or giving any notice or otherwise, except:

(i) the approval of the Reverse Take-Over Resolution and the Bastion Other Resolutions by not less than the requisite percentage of the Bastion Common Shares represented in person or by proxy at the Bastion Meeting,

(ii) the approval of the CNSX, as applicable,

(iii) consents, approvals, authorizations and waivers, which have been obtained, and are unconditional and in full force and effect and notices which have been given on a timely basis,

(iv) the filing of the Amalgamation Application with the Registrar, and

(v) those which, if not obtained or made, would not prevent or delay the consummation of the Transaction or otherwise prevent Bastion from performing its obligations under this Agreement and would not be reasonably likely to have a Material Adverse Effect on Bastion,

(e) Bastion is a “reporting issuer” in the Provinces of British Columbia, Alberta and Ontario within the meaning of Securities Laws in British Columbia, Alberta and Ontario, is not in default of any requirement of any applicable Securities Laws and neither the

CNSX, the Securities Commissions, nor any other regulatory authority having jurisdiction has issued any order preventing or suspending trading of any securities of Bastion or prohibiting the issuance of the Bastion Common Shares, Bastion Preferred Shares or Convertible Debentures to be delivered hereunder, and, to Bastion's knowledge, no proceedings for such purpose are pending or threatened;

(f) as of their respective dates, no information and materials filed by Bastion with the British Columbia Securities Commission (or equivalent other provincial securities regulators) and the CNSX since the date of its incorporation, and which are available through the SEDAR website or the CNSX website as of the date hereof (including all exhibits and schedules thereto and documents incorporated by reference therein) (collectively, the "**Public Record**"), contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and all of the Public Record complied in all material respects with all applicable legal and stock exchange requirements;

(g) all Material Contracts of Bastion and all amendments and extensions thereof are listed in Schedule "I" to this Agreement, and true and complete copies of each have been made available to Acclaro. Bastion is not in default or breach of its obligations under its Material Contracts and to the knowledge of Bastion, there exists no state of facts which, after notice or lapse of time or both, would constitute such a default or breach, and all such contracts are now in good standing and in full force and effect without amendment thereto and Acclaro is entitled to all benefits thereunder. Further, there are no outstanding material disputes under any such contracts and no consents, releases, waivers or approvals are necessary under such contracts with regard to the transactions described in this Agreement. Bastion is not aware of any other party having an intention to terminate, either by notice or breach, any Material Contract made with Bastion;

(h) the Bastion Common Shares are listed for trading on the CNSX and Bastion has not, in the twelve (12) months preceding the date hereof, received any notice from the CNSX to the effect that Bastion is not in compliance with the listing or maintenance requirements of the CNSX;

(i) the authorized share capital of Bastion consists of an unlimited number of common shares without par value of which, as of the Effective Date, 11,146,100 Bastion Common Shares will be issued and outstanding as fully paid and non-assessable shares, inclusive of the Bastion Finder's Fee and any Bastion Common Shares to be issued in connection with the Bastion Financing, but excluding any Bastion Common Shares to be issued to the Acclaro Shareholders as a result of the Transaction. As of the Effective Date, the authorized share capital of Bastion will also include an unlimited number of Bastion Preferred Shares, without par value, of which, as of the Effective Date, no Bastion Preferred Shares will be issued and outstanding prior to the issuance of the Bastion Preferred Shares to the holders of the Acclaro Preferred Shares;

(j) at the Effective Time, no Person has or will have any right, agreement or option, present or future, contingent or absolute, to acquire any securities of Bastion or any right

capable of becoming a right, agreement or option to acquire any securities of Bastion, except for pursuant to transactions contemplated in this Agreement;

(k) subject to applicable corporate laws and Securities Laws and the rules and policies of the CNSX, Bastion has the full and lawful right and authority to, at the Effective Time, issue the Bastion Shares to the Acclaro Shareholders in connection with the Transaction and the Bastion Shares will be duly issued as fully paid and non-assessable common shares or preferred shares, as the case may be, in the capital of Bastion, free and clear of all liens, charges and encumbrances;

(l) subject to applicable corporate laws and Securities Laws and the rules and policies of the CNSX, Bastion has the full and lawful right and authority to, at the Effective Time, issue the Convertible Debentures in exchange for the Acclaro Shareholder Loans and the Convertible Debentures will be validly issued as binding obligations of Bastion, free and clear of all liens, charges and encumbrances;

(m) as at the date hereof, there are 1,000,000 options (the “**Bastion Options**”) to purchase common shares of Bastion outstanding, each of which entitles the holder thereof to acquire one pre-Consolidation common share of Bastion at a price of \$0.20 per share, of which 300,000 will expire on October 28, 2013 and 700,000 will expire on or before November 3, 2015. As a result of the Consolidation, at the Effective Time, there will be an aggregate of 400,000 options to purchase Bastion Common Shares outstanding, each of which will entitle the holder thereof to acquire one Bastion Common Share at a price of \$0.50 per share, of which 120,000 will expire on October 28, 2013 and 280,000 will expire on or before November 3, 2015;

(n) other than the Bastion Options, there are no outstanding share purchase warrants, broker options, options or other rights or other arrangements under which Bastion is bound or obligated to issue additional shares in its capital, or warrants, broker warrants, options or other rights to acquire shares in its capital and, to the knowledge of Bastion, the Bastion Shares are not subject to the terms of any shareholder or voting trust agreement;

(o) the execution and delivery of this Agreement has been, and all other agreements or documents contemplated hereunder will be, on or before the Effective Time, duly authorized, executed and delivered by Bastion, and this Agreement constitutes a legal, valid and binding obligation of Bastion;

(p) there are no actions, suits or proceedings, judicial or administrative (whether or not purportedly on behalf of Bastion), pending or, to the knowledge of Bastion, threatened, by or against Bastion, at law or in equity, or before or by any Government Authority and Bastion is not aware of any existing ground on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success;

(q) neither the acceptance and delivery of this Agreement, nor the completion of the Transaction or the other transactions contemplated hereby will conflict with or result in any breach of any of the terms and provisions of, or constitute a default under, the

incorporating documents, directors or shareholders minutes of Bastion, or any agreement or instrument to which Bastion is a party or any order, decree, statute, regulation, covenant or restriction applicable to Bastion;

(r) the financial statements of Bastion that are available on SEDAR (the “**Bastion Financial Statements**”), are based on the books and records of Bastion and prepared in accordance with IFRS, and fairly present the financial condition and all material liabilities (accrued, absolute, contingent or otherwise) of Bastion at the dates thereof and the results of the operations for such periods. No information has come to the attention of Bastion since the date of the most recently issued Bastion Financial Statements that would, or would reasonably be expected to, require any restatement or revision of any such financial statements;

(s) Bastion has no indebtedness, liabilities or obligations, secured or unsecured (whether accrued, absolute, contingent or otherwise), which are not disclosed in the Bastion Financial Statements, except for those incurred in the ordinary course of its business or in connection with the transactions contemplated by this Agreement;

(t) Bastion has used, maintained and operated all of its present and former assets and properties in compliance with all applicable Environmental Laws, and, to the best of Bastion’s knowledge, there is no pending or threatened environmental claim against Bastion with respect to any of its present or former assets or properties, and no condition exists or event has occurred which, with or without notice or the passage of time or both, would constitute a violation of or give rise to a liability under any applicable Environmental Laws;

(u) other than consulting agreements entered into between Bastion and each of Hughes, Grant Kemp, Lee and Derrick Strickland, there are no contracts with Bastion, on the one hand, and: (i) any director or officer of Bastion; (ii) any holder of five (5%) percent or more of the equity securities of Bastion; or (iii) an associate or affiliate of a Person in (i) or (ii), on the other hand;

(v) Bastion has never had any reportable disagreement with its present or any former auditor of Bastion;

(w) there have been no material adverse changes to the financial position of Bastion since the date the most recent Bastion Financial Statements were issued, being December 31, 2011, which have been delivered to Acclaro;

(x) except as provided for in the Bastion Financial Statements:

(i) Bastion is not indebted to the Bastion Shareholders or any one of them, whether by way of shareholder loan, unpaid, accrued or deferred compensation, or otherwise,

(ii) none of the Bastion Shareholders or any other officer, director or employee of Bastion is indebted or under obligation to Bastion on any account whatsoever, and

- (iii) Bastion has not guaranteed or agreed to guarantee any debt, liability or other obligation of any kind whatsoever of any Person of any kind whatsoever;
- (y) Bastion and Bastion Subco each have the power, authority and capacity to enter into this Agreement and to carry out their respective obligations hereunder and to complete the Transaction, subject to the approval of the Reverse Take-Over Resolution and the Bastion Other Resolutions by the Bastion Shareholders at the Bastion Meeting;
- (z) the board of directors of Bastion has unanimously: (i) approved the Transaction and the execution, delivery and performance of this Agreement and (ii) directed that the Reverse Take-Over Resolution and the Bastion Other Resolutions be submitted to the Bastion Shareholders at the Bastion Meeting, and unanimously recommended approval thereof;
- (aa) the board of directors of Bastion Subco has unanimously approved the Amalgamation and the execution, delivery and performance of this Agreement;
- (bb) the execution and delivery of this Agreement has been, and all other agreements or documents contemplated hereunder will be on or before the Effective Time, duly authorized, executed and delivered by Bastion and Bastion Subco and this Agreement constitutes a legal, valid and binding obligation of each of Bastion and Bastion Subco, enforceable against each in accordance with its terms, except:
 - (i) as may be limited by bankruptcy, reorganization, insolvency and similar laws of general application relating to or affecting the enforcement of creditors' rights or the relief of debtors, and
 - (ii) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defences and to the discretion of the court before which any proceeding therefor may be brought;
- (cc) neither Bastion nor Bastion Subco is a party to or bound by any contract, lease, agreement, instrument, license, commitment, order, or quotation, written or oral:
 - (i) relating to capital expenditures or improvements,
 - (ii) relating to management, consulting or any other similar type of contract or agreement, excluding those which may be terminated without penalty on three months' notice or less,
 - (iii) which contemplates payment on or as a result of a change of control of Bastion (whether on termination of such agreement, on occurrence of any other event or circumstance, or after notice or lapse of time or otherwise),
 - (iv) with a bank or other financial institution relating to borrowed money,
 - (v) relating to the existence or creation or purchase or sale of any bonds, debentures, notes or long-term debts,

- (vi) relating to outstanding letters of credit or constituting an agreement of guarantee or indemnification of the obligations or liabilities (contingent or otherwise) of any other Person or relating to commitments to purchase the assets of any other Person or to guarantee the price thereof,
 - (vii) relating to the acquisition or disposition of any shares or securities of any entity,
 - (viii) relating to the acquisition or disposition or lease of any business operations or real property,
 - (ix) limiting or restraining Bastion or Bastion Subco from engaging in any activities or competing with any Person,
 - (x) which involves the use of a derivative, including any forward contracts or options, or
 - (xi) relating to the existence or creation of any bona fide offer of an opportunity (including a joint venture opportunity) to any Person;
- (dd) except as contemplated by the Transaction and this Agreement, since December 31, 2011:
- (i) there has been no Material Adverse Change to Bastion or Bastion Subco,
 - (ii) neither Bastion nor Bastion Subco has:
 - (A) sold, transferred, distributed or otherwise disposed of or acquired a material amount of its assets, or agreed to do any of the foregoing, except in the ordinary course of business,
 - (B) incurred any liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) which has had or is likely to have a Material Adverse Effect on Bastion or Bastion Subco,
 - (C) made or agreed to make any material capital expenditure or commitment for additions to property, plant, or equipment,
 - (D) made or agreed to make any material increase in the compensation payable to any employee or director except for increases made in the ordinary course of business and consistent with presently existing policies or agreements or past practice,
 - (E) conducted its operations other than in all material respects in the normal course of business, or
 - (F) agreed or committed to do any of the foregoing, and

- (iii) there has not been any declaration, setting aside or payment of any dividend or other distribution with respect to Bastion's capital stock;
- (ee) all information relating to the business, assets, liabilities, properties, capitalization or financial condition of Bastion provided by Bastion or any of its representatives or advisers to Acclaro is true, accurate and complete in all material respects;
- (ff) Bastion has filed with appropriate taxation authorities, federal, provincial and local, all returns, reports and declarations which are required to be filed by it, and no taxing authority is asserting or has, to the knowledge of Bastion, threatened to assert, or has any basis for asserting against Bastion, any claim for additional taxes or interest thereon or penalty;
- (gg) Bastion has not incurred any liability for brokers' or finder's fees of any kind whatsoever with respect to this Agreement or any transaction contemplated under this Agreement, except for the Bastion Finder's Fee and any fees to be paid to the Agent in connection with the Bastion Financing, as contemplated in this Agreement;
- (hh) except as disclosed in this Agreement, Bastion does not have any information or knowledge of any fact relating to the assets or any indebtedness of Bastion or the transactions contemplated hereby which might reasonably be expected to have a Material Adverse Effect on any of the assets or the organization, operations, affairs, business, properties, prospects or financial condition or position of Bastion; and
- (ii) Bastion's Articles of Incorporation grant the Chairman of the board of directors a deciding swing vote in the event of a deadlocked board.

PART 4

COVENANTS

Covenants of Acclaro

4.1 Acclaro hereby covenants and agrees with Bastion as follows:

- (a) Acclaro shall permit:
 - (i) Bastion and its directors, officers, employees, representatives, agents, counsel, accountants, advisers, engineers and consultants to have reasonable access at reasonable times to all properties, books, accounts, records, Material Contracts, files, correspondence, tax records, and documents of or relating to Acclaro including auditors' working papers and management letters and to discuss such matters with the executive officers of Acclaro; Acclaro shall make available to Bastion and its directors, officers, employees, representatives, agents, counsel, accountants, advisers, engineers and consultants a copy of each report or document filed pursuant to Securities Laws and all other information concerning

its business and properties in its possession or under its control as Bastion may reasonably request, and

(ii) Bastion to conduct, or cause its agents to conduct, such reasonable reviews, inspections, surveys, tests, and investigations of the Assets and the Quarry as they deem necessary or advisable, provided such reviews are conducted at reasonable times and in a reasonable manner;

(b) from the date hereof to the Effective Date, Acclaro shall maintain payables and other liabilities at levels consistent with normal industry practices and procedures of payment of obligations on a “net 30 day” basis, unless otherwise agreed by the relevant creditor, and shall not dispose of or encumber any of its assets without the prior written consent of Bastion, which shall not be unreasonably withheld, delayed or denied;

(c) prior to the Effective Date, and other than the consolidation of Acclaro Common Shares that is to occur prior to the Effective Time, notice of which has previously been provided by Acclaro to Bastion, Acclaro shall not split, combine or reclassify any of the outstanding Acclaro Shares, nor declare, set aside or pay any dividends on or make any other distributions on or in respect of the outstanding Acclaro Shares, without the prior approval of Bastion;

(d) on the Effective Date, Acclaro shall not have more than 12,647,051 Acclaro Common Shares, 20,028,200 Acclaro Class B Shares and 4,852,950 Acclaro Preferred Shares issued and outstanding on a fully diluted basis;

(e) prior to the Effective Date, and other than the issuance of Acclaro Common Shares upon partial conversion of certain Acclaro Shareholder Loans and conversion of certain outstanding promissory notes into Acclaro Class B Shares, notice of which has previously been provided to Bastion by Acclaro, Acclaro shall not sell, pledge, encumber, allot, reserve, set aside or issue, authorize or propose the sale, pledge, encumbrance, allotment, reservation, setting aside or issuance of, or purchase or redeem or propose the purchase or redemption of, any Acclaro Shares or any shares in its capital stock or any class of securities convertible or exchangeable into, or rights, warrants or options to acquire, any shares or other convertible or exchangeable securities, without the prior approval of Bastion;

(f) prior to the Effective Date, Acclaro shall not enter into or amend or terminate any Material Contracts out of the ordinary course of business, other than in connection with this Agreement;

(g) prior to the Effective Date, Acclaro shall not enter into any agreements outside the ordinary course with its directors or officers, Acclaro Shareholders or holders of debt, or their respective affiliates, other than as previously disclosed to Bastion;

(h) prior to the Effective Date, Acclaro shall not enter into or modify any employment, consulting, severance, collective bargaining or similar agreement, policy or arrangement with, or grant any bonus, salary increase, option to purchase shares, pension or supplemental pension benefit, profit sharing, retirement allowance, deferred

compensation, incentive compensation, severance, change of control or termination pay to, or make any loan to, any officer, director, employee or consultant of Acclaro;

(i) prior to the Effective Date, Acclaro shall not sell, pledge, encumber, lease or otherwise dispose of any material assets, without the prior approval of Bastion;

(j) prior to the Effective Date, Acclaro shall notify Bastion of any significant development or material change relating to Acclaro, promptly after becoming aware of any such development or change;

(k) except as contemplated by the Transaction and this Agreement, Acclaro shall not amend or propose to amend the rights, privileges and restrictions attaching to the Acclaro Shares as they exist at the date of this Agreement;

(l) except as contemplated by the Transaction and this Agreement, Acclaro shall not reorganize, amalgamate or merge with another Person;

(m) prior to the Effective Date, Acclaro shall not acquire or agree to acquire any corporation or other entity (or material interest therein) or division of any corporation or other entity or material assets;

(n) prior to the Effective Date, Acclaro shall not guarantee the payment of any material indebtedness or incur any material indebtedness for money borrowed or issue or sell any debt securities, without the prior approval of Bastion;

(o) Acclaro shall ensure that all property, real and personal, owned or leased by Acclaro continues to be insured substantially in the manner and to the extent they are insured;

(p) Acclaro shall perform all such other acts and do such things as may be reasonably necessary or desirable in order to give effect to the Transaction; and

(q) Acclaro shall use all reasonable efforts to cause each of the conditions precedent set forth in Part 5 hereof to be complied with, on or before the Effective Date.

Covenants of Bastion

4.2 Bastion hereby covenants and agrees with Acclaro as follows:

(a) Bastion shall permit:

(i) Acclaro and its directors, officers, employees, representatives, agents, counsel, accountants, advisers, engineers and consultants to have reasonable access at reasonable times to all properties, books, accounts, records, Material Contracts, files, correspondence, tax records, and documents of or relating to Bastion including auditors' working papers and management letters and to discuss such matters with the executive officers of Bastion; Bastion shall make available to Acclaro and its directors, officers, employees, representatives, agents, counsel,

accountants, advisers, engineers and consultants a copy of each report or document filed pursuant to Securities Laws and all other information concerning its business and properties in its possession or under its control as Acclaro may reasonably request, and

- (ii) Acclaro to conduct, or cause its agents to conduct, such reasonable reviews, inspections, surveys, tests, and investigations of the assets of Bastion as they deem necessary or advisable, provided such reviews are conducted at reasonable times and in a reasonable manner;
- (b) from the date hereof to the Effective Date, Bastion shall maintain payables and other liabilities at levels consistent with normal industry practices and procedures of payment of obligations on a “net 30 day” basis, unless otherwise agreed by the relevant creditor;
- (c) prior to the Effective Date, Bastion shall not alter or amend its Charter Documents as the same exist at the date of this Agreement, except as contemplated in this Agreement or as otherwise approved by Acclaro;
- (d) Bastion shall, in a timely manner, use reasonable efforts to have the Bastion Common Shares provided to the Acclaro Shareholders in connection with the Transaction approved by the CNSX for trading on the CNSX;
- (e) prior to the Effective Date and except for the Consolidation, Bastion shall not subdivide, combine or reclassify any of the outstanding Bastion Shares nor declare, set aside or pay any dividends or make any other distributions on or in respect of the outstanding Bastion Shares, without the prior approval of Acclaro;
- (f) Bastion shall not enter into any agreements outside the ordinary course with its directors or officers or their respective affiliates;
- (g) prior to the Effective Date, Bastion shall not enter into or modify any employment, consulting, severance, collective bargaining or similar agreement, policy or arrangement with, or grant any bonus, salary increase, option to purchase shares, pension or supplemental pension benefit, profit sharing, retirement allowance, deferred compensation, incentive compensation, severance, change of control or termination pay to, or make any loan to, any officer, director, employee or consultant of Bastion;
- (h) prior to the Effective Date, Bastion shall notify Acclaro of any significant development or material change relating to Bastion, promptly after becoming aware of any such development or change;
- (i) except as contemplated by the Transaction and this Agreement, Bastion shall not amend or propose to amend the rights, privileges and restrictions attaching to the Bastion Shares as they exist at the date of this Agreement;
- (j) except as contemplated by the Transaction and this Agreement, Bastion shall not reorganize, amalgamate or merge with another Person;

- (k) prior to the Effective Date, Bastion shall not acquire or agree to acquire any corporation or other entity (or material interest therein) or division of any corporation or other entity or material assets;
- (l) prior to the Effective Date, except for the issuance of Bastion Common Shares pursuant to the exercise of Bastion Options and the issuance of Units pursuant to the Bastion Financing, Bastion shall not issue any securities or any rights to purchase securities without the express written consent of Acclaro;
- (m) as promptly as practicable after the date hereof, Bastion shall, in accordance with the applicable provisions of the BCBCA and its Charter Documents, duly call, give notice of, convene and hold the Bastion Meeting for the purpose of considering and taking action upon this Agreement and the Transaction;
- (n) Bastion shall ensure that the Information Circular shall not contain an untrue statement of a material fact concerning Bastion and shall not omit to state a material fact concerning Bastion that is required to be stated or that is necessary in order to render a statement contained therein not misleading in the light of the circumstances in which it was made;
- (o) Bastion shall use all reasonable efforts to cause each of the conditions precedent set forth in Part 5 hereof to be complied with, on or before the Effective Date;
- (p) Bastion shall complete the Bastion Financing for gross proceeds of not less than \$2,500,000 at or prior to the Effective Time;
- (q) subject to the approval of Bastion Shareholders at the Bastion Meeting and prior to the Effective Date, Bastion shall complete the Consolidation and the Capital Alteration;
- (r) subject to the policies of the CNSX, on or before the Effective Time, Bastion shall enter into the Management Agreements;
- (s) subject to the policies of the CNSX, on or before the Effective Time, Bastion shall enter into a financial services advisory agreement (the “**Financial Services Agreement**”) with Baron Global Financial Canada Ltd. (“**Baron**”) pursuant to which Baron shall provide various consulting services to Bastion, including, but not limited to, general corporate and financial advice as to strategies, structures and alternatives to provide Bastion with exposure to new markets and funding opportunities for a period of twelve (12) months. Pursuant to the Financial Services Agreement, Baron shall be entitled to receive a monthly fee of up to \$15,000;
- (t) subject to the policies of the CNSX, on or before the Effective Time, Bastion shall enter into a consulting agreement (the “**Lee Consulting Agreement**”) with Rick Lee (“**Lee**”) pursuant to which Lee shall provide various consulting services to Bastion, including, but not limited to, financial reporting and financial planning services, for a period of twelve (12) months. Pursuant to the Lee Consulting Agreement, Lee shall be entitled to receive a monthly fee of up to \$3,500 (plus applicable taxes);

- (u) subject to the policies of the CNSX, on or before the Effective Time, Bastion shall enter into a consulting agreement (the “**Hughes Consulting Agreement**”) with Peter Hughes (“**Hughes**”) pursuant to which Hughes shall provide various consulting services to Bastion, including, but not limited to, strategic planning and business development services, for a period of twelve (12) months. Pursuant to the Hughes Consulting Agreement, Hughes shall be entitled to receive a monthly fee of up to \$5,500 (plus applicable taxes);
- (v) subject to the policies of the CNSX, concurrently with the Closing, Bastion shall enter into an investor relations agreement with a party satisfactory to Bastion and Acclaro, acting reasonably;
- (w) on or before the Effective Time, Bastion shall use all reasonable efforts to change its name from “Bastion Resources Ltd.” to “Pan American Fertilizer Corp.”, or such other name as may be determined by Acclaro, in accordance with applicable corporate laws and Securities Laws (the “**Name Change**”); and all references to Bastion in this Agreement will, where appropriate, include reference to Pan American Fertilizer Corp. or such other name as may be determined by Acclaro;
- (x) Bastion shall use commercially reasonable efforts to obtain all consents, approvals, permits, authorizations or filings as may be required under applicable Securities Laws and by the CNSX and necessary for the performance by Bastion of its obligations under this Agreement;
- (y) Bastion shall use all commercially reasonable efforts to diligently pursue the listing of the Bastion Common Shares on a recognized stock exchange, including, but not limited to, the TSX Venture Exchange or the Toronto Stock Exchange;
- (z) Bastion shall ensure that all property, real and personal, owned or leased by Bastion continues to be insured substantially in the manner and to the extent they are insured;
- (aa) promptly following receipt of Bastion Shareholder approval of the Capital Alteration Resolution, the Consolidation Resolution and the Name Change Resolution and prior to the Effective Time, Bastion shall complete and file Notice of Articles in accordance with the requirements of the BCBCA giving effect to the Capital Alteration, the Name Change and the Consolidation; and
- (bb) Bastion shall perform all such other acts and things as may be necessary or desirable in order to give effect to the Transaction.

Additional Covenants

- 4.3 (a) **Amalgamation.** Each of Acclaro, Bastion and Bastion Subco agree that they will use commercially reasonable efforts to satisfy each of the conditions precedent to be satisfied by it as soon as practical and in any event before the Effective Date, and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable that are commercially reasonable to permit the completion

of the Transaction pursuant to the Amalgamation in accordance with the terms and conditions of this Agreement, and Applicable Laws and to cooperate with each other in connection therewith.

(b) **Information Circular.**

(i) Each of Bastion and Acclaro shall use all commercially reasonable efforts to prepare, as promptly as practicable after the date of this Agreement, the Information Circular, together with any other documents required under Securities Laws in connection with the Bastion Meeting and the Acclaro Meeting.

(ii) As soon as practicable after the date hereof, Acclaro shall call and hold the Acclaro Meeting and Acclaro shall mail the Information Circular and all other documentation required in connection with the Acclaro Meeting to the Acclaro Shareholders.

(iii) As soon as practicable after the date hereof, Bastion shall call and hold the Bastion Meeting and Bastion shall mail the Information Circular and all other documentation required in connection with the Bastion Meeting to the Bastion Shareholders. The Bastion Meeting shall be held at the earliest practicable date following the mailing of the Information Circular.

(iv) The Information Circular shall include, *inter alia*, the unanimous recommendation of the board of directors of Bastion that its shareholders vote in favour of approval of the Reverse Take-Over Resolution and the Bastion Other Resolutions and the unanimous recommendation of the board of directors of Acclaro that its shareholders vote in favour of approval of the Amalgamation Resolution.

(v) Acclaro covenants that none of the information to be supplied by Acclaro for inclusion or incorporation by reference in the Information Circular will at the time of the mailing of the Information Circular contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. If at any time prior to the Effective Time any event with respect to Acclaro or its officers and directors shall occur that is required to be described in the Information Circular, Acclaro shall give prompt notice to Bastion of such event.

(vi) Bastion covenants that the Information Circular will comply as to form in all material respects with Securities Laws and that none of the information to be supplied by Bastion for inclusion or incorporation by reference in the Information Circular will at the time of the mailing of the Information Circular contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. If at any time prior to the Effective Time any event with respect to Bastion, its officers and directors or

Bastion Subco shall occur that is required to be described in the Information Circular, Bastion shall give prompt notice to Acclaro of such event.

(c) **Defense of Proceedings.** Bastion and Bastion Subco, on the one hand, and Acclaro, on the other hand, shall vigorously defend, or shall cause to be vigorously defended, any lawsuits or other legal proceedings brought against Bastion, Acclaro or Bastion Subco, or their respective officers, directors or shareholders, challenging this Agreement or the completion of the Transaction, and the Parties shall cooperate with each other in all respects in such defense. Neither Bastion, Bastion Subco nor Acclaro shall compromise or settle any claim brought in connection with the Transaction, without the prior written consent of the other Parties.

(d) **Ordinary Course.** Until the Effective Time, each of Bastion, Bastion Subco and Acclaro shall not, without the prior written consent of the other Parties, enter into any contract in respect of its business or assets, other than in the ordinary course of business or as otherwise contemplated by this Agreement, and each of Bastion, Bastion Subco and Acclaro shall continue to carry on its business and maintain its assets in the ordinary course of business, with the exception of incurring reasonable costs in connection with the Transaction and other transactions described herein, without limitation, and, subject to the above exceptions, shall maintain payables and other liabilities at levels consistent with past practice, shall not engage or commit to engage in any extraordinary material transactions, shall not make or commit to make distributions, dividends or special bonuses and, shall not repay or commit to repay any shareholders' loans, or enter into or renegotiate, or commit to enter into or renegotiate, any employment, management or consulting agreement with any senior officer, in each case without the prior written consent of the other Party.

(e) **Due Diligence.** Acclaro and Bastion acknowledge and agree that:

(i) Acclaro shall use commercially reasonable efforts to provide to Bastion the due diligence materials requested by Bastion as soon as commercially reasonable after receipt of the request for such due diligence materials (or in the case of the Acclaro Financial Statements, as soon as they are available);

(ii) Acclaro shall cooperate with Bastion in complying with the reasonable requirements of Bastion, and with any valuator, auditor or advisor;

(iii) Bastion shall use commercially reasonable efforts to provide to Acclaro the due diligence materials requested by Acclaro as soon as commercially reasonable after receipt of the request for such due diligence materials; and

(iv) Bastion shall cooperate with Acclaro in complying with the reasonable requirements of Acclaro, and with any valuator, auditor or advisor.

(f) **Notification of Certain Matters.** On or prior to the Effective Time, each Party shall give prompt notice to the other Parties: (i) of the occurrence or failure to occur of any event or the discovery of any information, which occurrence, failure or discovery would be likely to cause any representation or warranty on its part contained in this

Agreement to be untrue, inaccurate or incomplete after the date hereof in any material respect or, in the case of any representation or warranty given as of a specific date, would be likely to cause any such representation or warranty on its part contained in this Agreement to be untrue, inaccurate or incomplete in any material respect as of such specific date, (ii) of any material failure of such Party to comply with or satisfy any covenant or agreement to be complied with or satisfied by it hereunder or (iii) if such Party determines that a condition to its respective obligations to consummate the transactions contemplated hereby cannot be fulfilled.

(g) **Public Disclosure**

(i) No disclosure or announcement, public or otherwise, in respect of this Agreement or the Transaction will be made by Acclaro or Bastion without the prior written agreement of the other Party as to timing, content and method, provided that the obligations herein will not prevent any Party from making, after consultation with the other Party, such disclosure as its counsel advises is required by Applicable Laws or the policies of the CNSX and the applicable Securities Commissions.

(ii) Until the Effective Time, except with the prior written consent of the other Parties, each of the Parties and its respective employees, officers, directors, shareholders, agents, advisors and other representatives will hold all confidential information received from the other Parties in strictest confidence, unless: (A) such information is already known to the other Parties or their representatives or to others not bound by a duty of confidentiality; (B) such information becomes publicly available through no fault of the other Parties or their representatives; (C) the use of such information is necessary or appropriate in making any filing or obtaining any consent or approval required for the consummation of the Transaction; or (D) the furnishing or use of such information is required by, or necessary or appropriate in connection with, legal proceedings.

(iii) All such information and documents in any form or medium whatsoever, including, without limitation, copies thereof and derivative materials made therefrom, will be returned to the Party originally delivering them, or at the direction of such Party, destroyed, in the event that the Transaction is not completed.

(h) **Refrain from Certain Actions.** No Party shall take any action, refrain from taking any action (subject to commercially reasonable efforts) or permit any action to be taken or not taken, inconsistent with the provisions of this Agreement or which would or could reasonably be expected to materially impede the completion of the transactions contemplated hereby or which would or could reasonably be expected to have a Material Adverse Effect on such Party.

(i) **Indemnity.** Each Party shall indemnify and hold harmless the other Parties hereto (and such other Parties' respective directors, officers and advisers) (collectively, the "**Non-Offending Persons**") from and against all claims, damages, liabilities, actions or

demands to which the Non-Offending Persons may become subject insofar as such claims, damages, liabilities, actions or demands arise out of or are based upon the information supplied by a Party (other than the Non-Offending Persons) and contained in the Information Circular having contained a misrepresentation. Each Party hereto shall obtain and hold the rights and benefits of this §4.3 in trust for and on behalf of such Party's directors, officers and advisers.

(j) **Exemptions from Registration Requirements of U.S. Securities Laws.** The Parties hereto intend for the issuances and exchanges of shares contemplated hereby to be exempt from the registration requirements of the U.S. Securities Act and any applicable United States state securities laws and, accordingly, each agrees to take such further actions (including the execution and delivery of such further instruments and documents) as any other Party may reasonably request with regards to maintaining such exemptions.

(k) **Directors.** At the Effective Time, the board of directors of Bastion shall be restructured, through resignations and appointments, so that the new board of directors of Bastion shall consist of Wright, Chairman of the board of directors of Bastion, Hughes, Tariq Malik, Kurt Loewen, Derrick Strickland and Ben Wendland or such other individuals as Bastion and Acclaro may agree, provided that: (i) Acclaro shall have the right to designate three (3) directors and Bastion shall have the right to designate three (3) directors; (ii) the Chairman will be designated by Acclaro and, (iii) should there be a tie in any voting issue in any meeting of the board of directors, the Chairman shall have the swing vote.

(l) **Officers.** At the Effective Time, the officers of Bastion shall consist of Wright as President and Chief Executive Officer, Herrick Lau as Chief Financial Officer and Corporate Secretary, and Tariq Malik as Executive Vice-President and Chief Operating Officer.

(m) **Wright Loan.** Bastion shall covenant in the Management Agreement between Wright and Bastion that it will repay the Wright Loan to Wright within two years from the Effective Date.

(n) **Regulatory Filings.** Each of Bastion, Bastion Subco and Acclaro shall use all reasonable efforts and shall cooperate with the other Parties in the preparation and filing, as soon as practicable, of all filings, applications or other documents required under Applicable Laws and the policies of the CNSX in connection with the transactions contemplated by this Agreement. Prior to submitting each filing, application or other document with the applicable regulatory authority, each Party shall, to the extent practicable, provide the other Parties with a meaningful opportunity to review and comment on each such application or other document to the extent permitted by applicable law. Each of Bastion, Bastion Subco and Acclaro shall use all reasonable efforts and shall cooperate with the other Parties in taking any other actions necessary to obtain such regulatory or other approvals and consents at the earliest practicable time, including participating in any required hearings or proceedings. Subject to the terms and conditions herein provided, each of Bastion, Bastion Subco and Acclaro shall use all reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done,

all things necessary, proper or advisable to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement.

(o) **Non-Solicitation.**

(i) Each of Acclaro and Bastion shall, and shall direct and cause their respective officers, directors, employees, representatives, advisors and agents to immediately cease and cause to be terminated any solicitation, encouragement, activity, discussion or negotiation with any parties that may be ongoing with respect to an Acquisition Proposal whether or not initiated by Acclaro or Bastion, as the case may be, and Acclaro or Bastion, as the case may be, shall request the return of information regarding Acclaro or Bastion, respectively, and its subsidiaries previously provided to such parties and shall request the destruction of all materials including or incorporating any confidential information regarding Acclaro or Bastion, as the case may be, and their respective subsidiaries. Each of Acclaro and Bastion agree not to release any third party from any confidentiality agreement relating to a potential Acquisition Proposal to which such third party is a party. Each of Acclaro and Bastion further agrees not to release any third party from any standstill or similar agreement or obligation to which such third party is a party or by which such third party is bound (it being understood and agreed that the automatic termination of a standstill provision due to the announcement of the Transaction or the entry into this Agreement shall not be a violation of this §4.3(o)).

(ii) Subject to §4.3(p) or unless permitted pursuant to §4.3(o), each of Acclaro and Bastion agrees that it shall not, and shall not authorize or permit any of its officers, directors, employees, representatives, advisors or agents, directly or indirectly, to:

(A) make, solicit, initiate, entertain, encourage, promote or facilitate, including by way of furnishing information, permitting any visit to its facilities or properties or entering into any form of agreement, arrangement or understanding, any inquiries or the making of any proposals regarding an Acquisition Proposal or that may be reasonably be expected to lead to an Acquisition Proposal;

(B) participate, directly or indirectly, in any discussions or negotiations regarding, or furnish to any Person any information or otherwise cooperate with, respond to, assist or participate in, any Acquisition Proposal or potential Acquisition Proposal;

(C) remain neutral with respect to, or agree to, approve or recommend or propose publicly to agree to, approve or recommend, any Acquisition Proposal or potential Acquisition Proposal;

(D) withdraw, modify, qualify or change in a manner adverse to Bastion or Acclaro, respectively, or publicly propose to or publicly state

that it intends to withdraw, modify, qualify or change in a manner adverse to Bastion or Acclaro, respectively, the approval, recommendation or declaration of advisability of its board of directors of the Transaction (a **“Change in Recommendation”**) (it being understood that failing to affirm the approval or recommendation of its board of directors of the Transaction within five (5) Business Days after an Acquisition Proposal relating to such Party has been publicly announced and, in circumstances where no Acquisition Proposal has been made, within five (5) Business Days of being requested to do so by Bastion or Acclaro, as the case may be, shall be considered an adverse modification);

(E) enter into any agreement, arrangement or understanding related to any Acquisition Proposal or requiring it to abandon, terminate or fail to consummate the Transaction or providing for the payment of any break, termination or other fees or expenses to any Person in the event that the Transaction is completed or in connection with any other transaction agreed to prior to any termination of this Agreement; or

(F) make any public announcement or take any other action inconsistent with the recommendation of its board of directors to approve the Transaction.

Notwithstanding the foregoing part of this §4.3(o)(ii) and any other provisions of this Agreement:

The board of directors of Acclaro or Bastion, as the case may be, may consider, participate in any discussions or negotiations with and provide information to, any Person who has delivered a written Acquisition Proposal which was not solicited or encouraged by Acclaro or Bastion, as the case may be, after the date of this Agreement and did not otherwise result from a breach of this §4.3(o) by Acclaro or Bastion, as the case may be, and that its board of directors determines in good faith, after consultation with its financial advisor and outside legal counsel, may reasonably be expected to constitute a Superior Proposal provided, however, that prior to taking any such action the board of directors of Acclaro or Bastion, as the case may be, determines in good faith, after consultation with outside counsel, that it is necessary to take such action in order to discharge properly its fiduciary duties, and if Acclaro or Bastion, as the case may be, provides confidential non-public information to such Person, Acclaro or Bastion, as the case may be, obtains a confidentiality and standstill agreement from the Person making such Acquisition Proposal, on terms no more favourable to such Person than the confidentiality provisions contained in the Letter of Intent and including a standstill provision provided, however, that it shall not preclude such Person from making an Acquisition Proposal. If Acclaro or Bastion, as the case may be, receives a request for material non-public information from a Person who proposes to make an Acquisition Proposal and the board of

directors of Acclaro or Bastion, as the case may be, determines in good faith that such Acquisition Proposal, if made, could reasonably be expected to lead to a Superior Proposal and provided that Acclaro or Bastion, as the case may be, obtains a confidentiality and standstill agreement from the Person making such Acquisition Proposal that has terms substantially similar to the confidentiality provisions contained in the Letter of Intent between the Parties hereto, having terms no more favourable to such Person than such terms in the Letter of Intent, and including a standstill provision at least as stringent as contained in the Letter of Intent, provided, however, that it shall not preclude such Person from making an Acquisition Proposal, Acclaro or Bastion, as the case may be, shall be permitted to provide such Person with access to information regarding Acclaro or Bastion, respectively; provided that Acclaro or Bastion, as the case may be, sends a copy of any such confidentiality agreement to the other Party hereto promptly upon its execution and the other Party is provided with a list of the information provided to such Person and is immediately provided with access to similar information to which such Person was provided.

(G) Nothing contained in this §4.3(o) or elsewhere in this Agreement shall prohibit the board of directors of Acclaro or Bastion, as the case may be, from making a Change in Recommendation or from making any disclosure to its shareholders if, in the good faith judgment of the board of directors, after consultation with outside counsel, such action is necessary for the board of directors to act in a manner consistent with its fiduciary duties or is otherwise required under Applicable Laws, provided that in the case of a proposal to make a Change in Recommendation that does not relate to a Superior Proposal, and except as may otherwise be necessary for its board of directors to act in a manner consistent with its fiduciary duties, not less than forty-eight (48) hours before its board of directors considers any such proposal, Acclaro or Bastion, as the case may be, shall give the other Party written notice of such proposal and promptly advise the other Party of its board of directors' intention to consider such proposal.

The foregoing provisions of this §4.3(o)(ii)(G) shall not relieve Acclaro or Bastion, as the case may be, from its obligation to proceed to call and hold the Acclaro Meeting and the Bastion Meeting, respectively, and to hold the vote on the Amalgamation Resolution or the Reverse Take-Over Resolution and related matters, respectively, except in circumstances where this Agreement is terminated in accordance with the terms hereof.

(H) Nothing contained in this §4.3(o) shall prohibit the board of directors of Acclaro or Bastion, as the case may be, from distributing a circular in compliance with applicable Securities Laws in response to a take-over bid, provided however that the board of directors of Acclaro or Bastion, as the case may be, shall not, except as permitted by §4.3(o) or

§4.3(p), withdraw or modify, or propose to withdraw or modify, its recommendation with respect to the Transaction or approve or recommend or propose to approve or recommend an Acquisition Proposal.

(iii) From and after the date of this Agreement, Acclaro or Bastion, as the case may be, shall promptly (and in any event within twenty-four (24) hours) notify the other Party, at first orally and then in writing, of any proposals, offers or written inquiries relating to or constituting an Acquisition Proposal, or any request for non-public information relating to Acclaro or Bastion, as the case may be, or any of its subsidiaries. Such notice shall include a description of the terms and conditions of any proposal, inquiry or offer, the identity of the Person making such proposal, inquiry or offer and provide such other details of the proposal, inquiry or offer as the receiving party may reasonably request. Acclaro or Bastion, as the case may be, shall keep the other Party fully informed on a prompt basis of the status, including any change to the material terms, of any such inquiry, proposal or offer.

(iv) Acclaro or Bastion, as the case may be, shall ensure that its officers, directors and employees, and its subsidiaries and their officers, directors, employees, and any financial advisors or other advisors or representatives retained by it are aware of the provisions of this §4.3(o), and it shall be responsible for any breach of this §4.3(o) by its respective officers, directors, financial advisors or other advisors or representatives.

(p) **Right to Accept a Superior Proposal.**

(i) If Acclaro or Bastion, as the case may be, has complied with §4.3(o), Acclaro or Bastion, as the case may be, may accept, approve, recommend or enter into any agreement, understanding or arrangement in respect of a Superior Proposal (other than a confidentiality agreement, the execution of which shall not be subject to the conditions of this §4.3(p)) received prior to the date of approval of the Transaction by its shareholders and terminate this Agreement if, and only if: (A) Acclaro or Bastion, as the case may be, has provided the other Party with a copy of the Superior Proposal document; (B) Acclaro or Bastion, as the case may be, has provided the other Party with the information regarding such Superior Proposal required under §4.3(o)(iii); (C) the board of directors of Acclaro or Bastion, as the case may be, has determined in good faith after consultation with outside legal counsel and its financial advisors that it is necessary in order for the board of directors to discharge properly its fiduciary duties to withdraw or modify its approval or recommendation of this Agreement and to approve or recommend such Superior Proposal; and (D) four (4) Business Days shall have elapsed from the later of the date Acclaro or Bastion, as the case may be, received written notice (a “**Superior Proposal Notice**”) advising it that the other Party’s board of directors has resolved to accept, approve, recommend or enter into an agreement in respect of such Superior Proposal subject only to this §4.3(p), and the date Acclaro or Bastion, as the case may be, received a copy of such Superior Proposal document. In the event that Acclaro or Bastion, as the case may be, provides the

other Party with a Superior Proposal Notice on a date that is less than seven (7) Business Days prior to its meeting of shareholders, Acclaro or Bastion, as the case may be, shall, at the request of the other Party, adjourn such meeting to a date that is not less than five (5) Business Days and not more than fifteen (15) days after the date of the Superior Proposal Notice. If the Information Circular has been sent to the Acclaro Shareholders or the Bastion Shareholders, as the case may be, prior to the expiry of the four (4) Business Day period set forth in this §4.3(p)(i) and, during such period, Bastion or Acclaro, as the case may be, requests in writing that the special meeting of Acclaro or Bastion, as the case may be, shareholders proceed, unless otherwise ordered by a court, Acclaro or Bastion, as the case may be, shall continue to take all reasonable steps necessary to hold its special meeting and to cause the Transaction to be voted on at such meeting.

(ii) During the four (4) Business Day period referred to in §4.3(p)(i)(D), Acclaro or Bastion, as the case may be, agrees that the other Party shall have the right, but not the obligation, to offer in writing to amend the terms of this Agreement, which offer must be received by Acclaro or Bastion, as the case may be, prior to 5:00 p.m. (Vancouver time) on the fourth (4) Business Day of such period in order for such offer to comply with the requirements of this §4.3(p)(ii). The board of directors of Acclaro or Bastion, as the case may be, will review any written proposal by Bastion or Acclaro, as the case may be, to amend the terms of the Transaction in good faith in order to determine, in its discretion in the exercise of its fiduciary duties, whether the amended Transaction would, if accepted, cause the proposed Acquisition Proposal to no longer constitute a Superior Proposal. If the board of directors of Acclaro or Bastion, as the case may be, so determines, it will enter into an amended agreement with Bastion or Acclaro, as the case may be, reflecting the amended proposal. If the board of directors of Acclaro or Bastion, as the case may be, does not so determine, the other Party may accept, approve, recommend or enter into an agreement, understanding or arrangement in respect of such Superior Proposal.

(iii) Each Party also acknowledges and agrees that each successive material modification of any Acquisition Proposal shall constitute a new Acquisition Proposal for the purposes of the requirement under §4.3(p)(i)(D) and will initiate an additional four (4) Business Day notice period.

PART 5

CONDITIONS

Conditions in Favour of Bastion and Acclaro

5.1 The respective obligations of Bastion and Acclaro to complete the transactions contemplated by this Agreement and to give effect to the Transaction shall be subject to the satisfaction, on or before the Effective Time, of the following conditions precedent any of which

may be waived by the mutual consents of Bastion, Bastion Subco and Acclaro without prejudice to their rights to rely on any of the other conditions:

- (a) the CNSX shall have accepted the Transaction and given conditional approval to the listing of the Bastion Common Shares to be issued to Acclaro Shareholders, subject only to such conditions, including the filing of documentation, as are acceptable to Bastion and Acclaro, acting reasonably;
- (b) this Agreement and the Transaction shall have been duly authorized and approved by the board of directors of each of Bastion, Bastion Subco and Acclaro;
- (c) the Bastion Shareholders shall have approved the Reverse Take-Over Resolution and the Other Resolution at the Bastion Meeting;
- (d) the Acclaro Shareholders shall have approved the Amalgamation Resolution at the Acclaro Meeting;
- (e) the Escrow Agreement shall have been entered into and any Bastion Shares required to be placed in escrow under the policies of the CNSX shall have been placed in escrow in accordance with the terms of the Escrow Agreement;
- (f) the Class B Pooling Agreement shall have been executed and delivered by all of the holders of the Acclaro Class B Shares and Bastion;
- (g) the Common Share Pooling Agreement shall have been executed and delivered by all of the holders of the Acclaro Common Shares and Bastion;
- (h) there shall not be in force any law, ruling, order or decree making it illegal or restraining or enjoining the consummation of the Transaction; and all consents, orders and approvals required or necessary or desirable for the completion of the Transaction shall have been obtained or received from the Persons, authorities or bodies having jurisdiction in the circumstances, all on terms satisfactory to each of Bastion and Acclaro, acting reasonably;
- (i) Bastion shall have completed the Bastion Financing for gross proceeds of not less than \$2,500,000;
- (j) Bastion shall have completed the Consolidation and the Capital Alteration;
- (k) the Technical Report shall have been produced and delivered;
- (l) the Financial Services Agreement shall have been executed and delivered;
- (m) the Lee Consulting Agreement shall have been executed and delivered;
- (n) the Hughes Consulting Agreement shall have been executed and delivered;

- (o) Bastion and Acclaro shall have received from each other any legal opinions from counsel and certificates from officers with respect to such matters as counsel of Bastion and Acclaro may require, acting reasonably;
- (p) the distribution of the Amalco Shares, the Bastion Shares and the Convertible Debentures pursuant to the Transaction shall be exempt from the prospectus and registration requirements of applicable Securities Laws either by virtue of exemptive relief from the applicable Securities Commissions or by virtue of exemptions under applicable Securities Laws;
- (q) there shall not have occurred, developed or come into effect or existence any event, action, state, condition or financial occurrence of national or international consequence or any law, regulation, action, government regulation, inquiry or other occurrence of any nature whatsoever that has had or could reasonably be expected to have a Material Adverse Effect in connection with any of the Parties hereto;
- (r) no judgment or order shall have been issued by any agency, no actions, suits or proceedings shall have been threatened or taken by any agency, and no law, regulation or policy shall have been proposed, enacted, or promulgated or applied:
 - (i) to cease trade, enjoin, prohibit or impose material limitations or conditions on the completion of the Transaction or the right of Bastion to own or exercise full rights of ownership of the Acclaro Shares, or
 - (ii) that, if the Transaction were completed, could reasonably be expected to have a Material Adverse Effect on either Bastion or Acclaro; and
- (s) this Agreement shall not have been terminated under Part 7 hereof.

Conditions in Favour of Bastion

5.2 The obligation of Bastion and Bastion Subco to complete the transactions contemplated by this Agreement and to give effect to the Transaction are subject to the following conditions precedent which are to be satisfied or waived, as applicable, on or before the Effective Time, or such earlier date as may be indicated:

- (a) dissent rights shall have been exercised in respect of no more than ten (10%) percent of the Acclaro Shares;
- (b) Bastion shall have obtained the consent or approval of any parties from whom consent to the Transaction or the other transactions described in this Agreement is required, and no such consent or approval shall contain terms or conditions or require undertakings or security deemed unsatisfactory or unacceptable by Bastion, acting reasonably;
- (c) Bastion and its counsel shall have had a reasonable opportunity to perform and satisfy themselves with the results of the searches and other due diligence reviews

reasonable or customary in a transaction of a similar nature to the Transaction to be completed by March 30, 2012;

- (d) no Material Adverse Change shall have occurred in the affairs of Acclaro;
- (e) Acclaro shall not have disposed of a material interest in any of the Assets or the Quarry or otherwise entered into any material transaction with, or incurred any material liability to, any other Person or performed any act or entered into any transaction or negotiation which interferes or is inconsistent with the completion of the transactions contemplated hereby, other than as contemplated in this Agreement, without the consent of Bastion thereto, such consent not to be unreasonably withheld;
- (f) the representations and warranties of Acclaro and the Acclaro Shareholders contained herein shall be true and correct in all material respects at and as of the Effective Time;
- (g) all covenants, agreements and obligations hereunder on the part of Acclaro to be performed or complied with at or prior to the Effective Time shall have been performed and complied with in all material respects; and
- (h) on or before the Effective Time, Acclaro shall have delivered to Bastion the following documents:
 - (i) a certified copy of the resolution of the directors of Acclaro and the Acclaro Shareholders approving and authorizing this Agreement and the transactions contemplated hereunder, including without limitation the Amalgamation,
 - (ii) a certificate signed by the President of Acclaro, dated as of the Effective Date, confirming the truth and accuracy, in all material respects of Acclaro's representations and warranties as set out in this Agreement, on and as of the Effective Date, and that the covenants and agreements of Acclaro to be observed and performed at or before the Effective Time pursuant to this Agreement have been duly observed and performed in all material respects,
 - (iii) the Acclaro Financial Statements,
 - (iv) all of the consents and approvals in writing necessary to the transfer of the Acclaro Shares contemplated hereunder, and
 - (v) all other documents and instruments as Bastion may reasonably require.

Conditions in Favour of Acclaro

5.3 The obligations of Acclaro to complete the transactions contemplated by this Agreement and to give effect to the Transaction are subject to the following conditions precedent which are to be satisfied or waived, as applicable, on or before the Effective Time, or such earlier date as may be indicated:

- (a) Acclaro shall have obtained the consent or approval of any parties from whom consent to the Transaction or the other transactions described in this Agreement is required, and no such consent or approval shall contain terms or conditions or require undertakings or security deemed unsatisfactory or unacceptable by Acclaro, acting reasonably;
- (b) Acclaro and its counsel shall have had a reasonable opportunity to perform and satisfy themselves with the results of the searches and other due diligence reasonable or customary in a transaction of a similar nature to the Transaction to be completed by March 30, 2012;
- (c) no Material Adverse Change shall have occurred in the affairs of Bastion or Bastion Subco;
- (d) the Management Agreements shall have been executed and delivered;
- (e) the board of directors of Bastion shall be restructured effective at the Effective Time, through resignations and appointments, so that the new board of directors of Bastion shall consist of Wright, as Chairman, Hughes, Tariq Malik, Kurt Loewen, Derrick Strickland and Ben Wendland, or such other individuals as Bastion and Acclaro may agree;
- (f) the board of directors of Bastion shall have passed a resolution appointing Randy Wright as President and Chief Executive Officer, Herrick Lau as Chief Financial Officer and Corporate Secretary, and Tariq Malik as Executive Vice-President and Chief Operating Officer, all effective at the Effective Time;
- (g) Bastion shall not have entered into any material transaction with, or incurred any material liability to, any other Person or performed any act or entered into any transaction or negotiation which interferes or is inconsistent with the completion of the transactions contemplated hereby, other than as contemplated in this Agreement, without the consent of Acclaro thereto, such consent not to be unreasonably withheld;
- (h) the representations and warranties of Bastion and Bastion Subco contained herein shall be true and correct in all material respects at the Effective Time;
- (i) all covenants, agreements and obligations hereunder on the part of Bastion or Bastion Subco, as the case may be, to be performed or complied with at or prior to the Effective Time shall have been performed and complied with in all material respects;
- (j) on or before the Effective Time, Bastion shall have changed its name from "Bastion Resources Ltd." to "Pan American Fertilizer Corp.", or such other name as may be determined by Acclaro, in accordance with applicable corporate laws and Securities Laws; and
- (k) on or before the Effective Time, Bastion shall have delivered to Acclaro the following documents:

- (i) a certified copy of the resolution of the directors of Bastion and the Bastion Shareholders approving and authorizing this Agreement and the transactions contemplated hereunder, including without limitation the Transaction,
- (ii) a certificate signed by the President of Bastion, dated as of the Effective Date confirming the truth and accuracy, in all material respects of Bastion's representations and warranties as set out in this Agreement, on and as of the Effective Date, and that the covenants and agreements of Bastion to be observed and performed at or before the Effective Date pursuant to this Agreement have been duly observed and performed in all material respects,
- (iii) all of the consents and approvals in writing necessary to effect the completion of the Transaction,
- (iv) a legal opinion of legal counsel to Bastion that the Bastion Shares issued to Acclaro Shareholders in connection with the Transaction are validly issued, fully paid and non-assessable, that the Bastion Common Shares will be listed for trading on the CNSX, that the Convertible Debentures are validly issued, and such other matters as may be reasonably requested by Acclaro, and
- (v) all other documents and instruments as Acclaro may reasonably require.

Satisfaction or Waiver

5.4 Each of the conditions set forth in this Part 5 may be waived in whole or in part by notice in writing from the Party in whose favour such condition was given to the other Party.

PART 6

CLOSING

Closing

6.1 The Closing shall take place at the offices of Bastion's counsel, McMillan LLP at 10:00 a.m. (Vancouver time) on the Effective Date or such other date as Acclaro and Bastion may agree.

Termination of this Agreement

6.2 This Agreement may be terminated at any time prior to the Effective Time, whether before or after approval of the Amalgamation Resolution by the Acclaro Shareholders or the Reverse Take-Over Resolution or the Other Resolutions by the Bastion Shareholders or any other matters presented in connection with the Transaction:

- (a) by mutual written consent of Bastion, Bastion Subco and Acclaro;

- (b) by a Party if a condition in its favour or a mutual condition is not satisfied by the Termination Date (or any earlier date by which such condition is required to be satisfied), except where such failure is the result of a breach of this Agreement by such Party;
- (c) by Bastion or Acclaro if there has been a breach of any of the representations, warranties, covenants and agreements on the part of the other Party (the “**Breaching Party**”) set forth in this Agreement, which breach has or is likely to result in the failure of the conditions set forth in §5.1, §5.2 or §5.3, as the case may be to be satisfied and in each case has not been cured within five (5) Business Days following receipt by the Breaching Party of notice of such breach from the non-breaching Party (the “**Non-Breaching Party**”);
- (d) by any Party if any permanent order, decree, ruling or other action of a court or other competent authority restraining, enjoining or otherwise preventing the consummation of the Transaction shall have become final and non-appealable;
- (e) by Bastion or Acclaro if:
 - (i) the other Party or the board of directors of such other Party, or any committee thereof, withdraws or modifies in a manner adverse to the initial Party, its approval of this Agreement or its recommendation to vote in favour of the Transaction (in accordance with §4.3(o) or §4.3(p)),
 - (ii) the other Party shall have entered into, or proposed to enter into, a definitive agreement with respect to a Superior Proposal,
 - (iii) the Amalgamation Resolution is not approved by the Acclaro Shareholders, or
 - (iv) the Reverse Take-Over Resolution or the Consolidation Resolution is not approved by the Bastion Shareholders;
- (f) by Bastion or Acclaro if the Transaction is not completed by the Termination Date, provided that the Party then seeking to terminate this Agreement is not then in default of any of its obligations hereunder; and
- (g) by Bastion or Acclaro if the other Party has breached the provisions of §4.3(o) hereof in any material manner.

Survival of Representations and Warranties; Limitation

6.3 The representations and warranties set forth in herein shall expire and be terminated on the earlier of the Effective Date or the termination of this Agreement.

PART 7

AMENDMENT AND VARIATION

Amendment and Variation

7.1 This Agreement may, at any time, but no later than the Effective Time, be amended or varied by written agreement of Bastion and Acclaro, subject to applicable law, without further notice to or authorization on the part of the Bastion Shareholders or the Acclaro Shareholders. Without limiting the generality of the foregoing, any such amendment may:

- (a) change the time for the performance of any of the obligations or acts of the Parties hereto;
- (b) waive any inaccuracies or modify any representation or warranty contained herein or in any document to be delivered pursuant hereto; or
- (c) waive compliance with or modify any of the covenants contained herein or waive or modify the performance of any of the conditions or obligations of the Parties hereto contained herein.

7.2 Notwithstanding the provisions of §7.1, subsequent to approval of this Agreement and the Transaction by the Bastion Shareholders and the Acclaro Shareholders, this Agreement may not be amended to change:

- (a) the amount or kind of shares or other securities, interests, obligations, rights to acquire shares, other securities or interests, cash, or other property to be issued by Bastion or to be received under this Agreement by the Acclaro Shareholders;
- (b) any of the other terms or conditions of this Agreement if the change would adversely affect the Acclaro Shareholders in any material respect; or
- (c) any of the other terms or conditions of this Agreement if the change would adversely affect the Bastion Shareholders in any material respect.

PART 8

INDEMNIFICATION

Indemnification

8.1 Each of Bastion and Acclaro (the “**Indemnifying Party**”) hereby undertakes with the other Parties to this Agreement (each, an “**Indemnified Party**” and collectively, the “**Indemnified Parties**”) to indemnify and hold harmless the Indemnified Parties from and against all losses, claims, damages, liabilities, actions or demands including, without limiting the generality of the foregoing, amounts paid in any settlement approved by the Indemnifying Party of any action, suit, proceeding or claim but excluding lost profits and consequential damages of

an Indemnified Party, to which an Indemnified Party may become subject insofar as such losses, claims, damages, liabilities, actions or demands arise out of or are based upon any breach of a representation, warranty, covenant or obligation of the Indemnifying Party contained in this Agreement or any certificate or notice delivered by it in connection herewith, and shall reimburse the Indemnified Parties for any legal or other expenses reasonably incurred by an Indemnified Party in connection with investigating or defending any such loss, claim, damage, liability, action or demand.

Defence

8.2 Promptly after receipt by an Indemnified Party of notice of a possible action, suit, proceeding or claim referred to in §8.1 hereof, such Indemnified Party, if a claim in respect thereof is to be made against the Indemnifying Party under such section, shall provide the Indemnifying Party with written particulars thereof; provided that, the failure to so provide the Indemnifying Party with such particulars shall not relieve such Indemnifying Party from any liability which it might have on account of the indemnity provided for in this Part 8, except insofar as such failure shall prejudice such Indemnifying Party. An Indemnified Party shall also provide the Indemnifying Party with copies of all relevant documentation, and unless the Indemnifying Party assumes the defence thereof, shall keep such Indemnifying Party advised of the progress thereof and shall keep such Indemnifying Party advised of all significant actions proposed. An Indemnifying Party shall be entitled, at its own expense, to participate in and, to the extent that it may wish, to assume the defence of any such action, suit, proceeding or claim but such defence shall be conducted by counsel of good standing approved by an Indemnified Party, such approval not to be unreasonably withheld. Upon the Indemnifying Party notifying an Indemnified Party of its election so to assume the defence and retaining such counsel, the Indemnifying Party shall not be liable to such Indemnified Party for any legal or other expenses subsequently incurred by it in connection with such defence other than for reasonable costs of investigation. If such defence is assumed by the Indemnifying Party, it shall, throughout the course thereof, provide copies of all relevant documentation to such Indemnified Party, keep such Indemnified Party advised of the progress thereof and shall discuss with such Indemnified Party all significant actions proposed. No Indemnifying Party shall enter into any settlement without the consent of such Indemnified Party, but such consent shall not be unreasonably withheld. Notwithstanding the foregoing, an Indemnified Party shall have the right, at the Indemnifying Party's expense, to employ counsel of their own choice in respect of the defence of any such action, suit, proceeding or claim if:

- (a) the employment of such counsel has been authorized by the Indemnifying Party in connection with such defence;
- (b) counsel retained by the Indemnifying Party or an Indemnified Party shall have advised such Indemnified Party that there may be legal defences available to it which are different from or in addition to those available to the Indemnifying Party (in which event, and to that extent, the Indemnifying Party shall not have the right to assume or direct the defence on behalf of such Indemnified Party) or that there may be a conflict of interest between the Indemnifying Party and such Indemnified Party; or

(c) the Indemnifying Party shall not have assumed such defence and employed counsel therefor within a reasonable time after receiving notice of such action, suit, proceeding or claim.

Term

8.3 The obligations of the Parties under this Part 8 shall terminate when the Transaction is consummated, failing which they shall survive and continue with respect to all losses, claims, damages, liabilities, actions or demands, notice of which is given to the Indemnifying Party by an Indemnified Party, on or before twelve (12) months from the date hereof in compliance with §8.2 hereof.

PART 9

GENERAL

Further Assurances

9.1 Each Party hereto shall, at the request of any other Party hereto, do all such further acts and execute and deliver all such further documents and instruments as such other Party may reasonably require in order to fully implement the terms and intent of this Agreement and the Transaction.

Assignment

9.2 This Agreement may not be assigned by any Party, in whole or in part, without the prior written consent of the other Parties.

Notices

9.3 All notices which may or are required to be given pursuant to any provision of this Agreement shall be given or made in writing and shall be served personally or by facsimile at the administrative offices of Bastion and Acclaro as follows:

(a) If to Bastion:

Bastion Resources Ltd.
810 – 675 West Hastings Street
Vancouver, British Columbia V6B 1N2 Canada

Attention: President
Facsimile No.: (778) 329-9361

with a copy to:

McMillan LLP
Suite 1500, 1055 West Georgia Street
Vancouver, British Columbia Canada, V6E 4N7

Attention: Desmond Balakrishnan
Facsimile No. (604) 685-7084

(b) If to Acclaro:

Acclaro Mining Corporation
601 – 570 Granville Street
Vancouver, British Columbia V6C 3P1 Canada

Attention: President
Facsimile No. (604) 683-3998

with a copy to:

Clark Wilson LLP
885-800 West Georgia Street
Vancouver, BC V6C 3H1 Canada

Attention: Cam McTavish
Facsimile No. (604) 687-6314

Waiver

9.4 Any waiver or release of any of the provisions of this Agreement, to be effective, must be in writing and executed by the Party granting such waiver or release.

Governing Law

9.5 This Agreement shall be governed by and construed solely in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein (excluding any conflict of laws, rule or principle which might refer such construction to the laws of another jurisdiction) and shall be treated in all respects as a British Columbia contract. The Parties hereto irrevocably attorn to the non-exclusive jurisdiction of the courts of British Columbia with respect to any matter arising hereunder or related thereto.

Entire Agreement

9.6 This Agreement, together with the agreements and other documents herein or therein referred to, constitute the entire agreement among the Parties hereto pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties hereto, including the Letter of Intent.

Expenses

9.7 Unless otherwise provided herein, all expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such expenses.

Severability

9.8 If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, then:

- (a) that provision shall (to the extent of the invalidity, illegality or unenforceability) be given no effect and shall be deemed not to be part of this Agreement; and
- (b) the Parties hereto shall use all reasonable commercial efforts to replace each invalid, illegal or unenforceable provision with a valid, legal and enforceable substitute provision, the effect of which is as close as possible to the intended effect of the invalid, illegal or unenforceable provision.

Binding Effect and Parties in Interest

9.9 This Agreement shall be binding upon and enure solely to the benefit of each Party hereto, and their respective successors and permitted assigns.

Counterparts

9.10 This Agreement may be executed in counterparts and by facsimile or other means of electronic communication capable of producing a printed copy and each counterpart shall be deemed to be an original and all of which shall be deemed to be one instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the Parties hereto have executed this Agreement, as of the day, month and year first above written.

BASTION RESOURCES LTD.

Per: “Peter Hughes”
Authorized Signatory

ACCLARO MINING CORPORATION

Per: “Randolph Wright”
Authorized Signatory

0934448 B.C. LTD.

Per: “Peter Hughes”
Authorized Signatory

SCHEDULE "A"

CLASS B POOLING AGREEMENT

This Pooling Agreement (the "**Agreement**") is made effective the ____ day of _____, 2012.

AMONG:

BASTION RESOURCES LTD., a corporation incorporated under the laws of the Province of British Columbia, with an office at 810 – 675 West Hastings Street, Vancouver, British Columbia V6B 1N2, Canada

(the "**Company**")

AND:

_____ (name of shareholder),
having an address at:

(the "**Shareholder**")

AND:

◆, having an address at ◆

(the "**Trustee**")

WHEREAS:

A. On March 23, 2012, the Company, 0934448 B.C. Ltd. ("**Subco**"), a subsidiary of the Company, and Acclaro Mining Corporation ("**Acclaro**") entered into an Amalgamation Agreement (the "**Amalgamation Agreement**"), whereby the parties agreed to complete a three-cornered amalgamation pursuant to which Subco will amalgamate with Acclaro (the "**Amalgamation**") and, on completion of the Amalgamation, former securityholders of Acclaro will receive securities of the Company;

B. In the Amalgamation Agreement, Acclaro agreed to use its best efforts to cause each of the shareholders (the "**Acclaro Shareholders**") of Class B common shares of Acclaro to, on or prior to the closing of the Amalgamation, enter into a pooling agreement pursuant to which the common shares of the Company (the "**Common Shares**") issued to the Acclaro Shareholders in connection with the Amalgamation would be pooled and released as to 25% on the date that is four months after the effective date of the Amalgamation and then as to 25% every four months thereafter; and

C. The Shareholder wishes to pool the Common Shares that the Shareholder will receive or has received in connection with the Amalgamation in accordance with the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreement herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties), the parties covenant and agree as follows:

1. The Shareholder hereby agrees with the Trustee that it will deliver or cause to be delivered to the Trustee, a certificate or certificates representing all of the Common Shares that the Shareholder will receive or has received in connection with the Amalgamation, which Common Shares are to be held by the Trustee and released, subject to this Section 1, to the Shareholder on the following basis:

- (a) 25% of the Shareholder's Common Shares on the date which is four months after the effective date of the Amalgamation (the "**First Release Date**");
- (b) 25% of the Shareholder's Common Shares on the date that is four months after the First Release Date;
- (c) 25% of the Shareholder's Common Shares on the date that is eight months after the First Release Date; and
- (d) 25% of the Shareholder's Common Shares on the date that is twelve months after the First Release Date.

2. The Shareholder shall be entitled, from time to time, to a letter or receipt from the Trustee stating the number of the Common Shares represented by a certificate or certificates held for the Shareholder by the Trustee, subject to the terms of this Agreement, but such letter or receipt shall not be assignable.

3. If, during the period in which any of the Shareholder's Common Shares are retained in trust pursuant hereto, the Shareholder shall be entitled to vote such Common Shares at any meeting of the shareholders of the Company held during such period.

4. The Shareholder shall not sell, deal in, assign, transfer in any manner whatsoever, or agree to sell, deal in, assign or transfer in any manner whatsoever, any of the Shareholder's Common Shares or beneficial ownership of or any interest in the Shareholder's Common Shares and the Trustee shall not accept or acknowledge any transfer, assignment, declaration of trust or any other document evidencing a change in legal and beneficial ownership of or interest in the Shareholder's Common Shares, prior to the release of such Common Shares in accordance with the terms of this Agreement, except as may be required by reason of the death or bankruptcy of the Shareholder, in which case the Trustee shall hold the certificate or certificates for the Shareholder's Common Shares subject to this Agreement for whatever person or persons, firm or corporation may thus become legally entitled thereto.

5. If, during the period in which any of the Shareholder's Common Shares are retained in trust pursuant hereto, any dividend, other than a dividend paid in common shares of the

Company, is received by the Trustee in respect of the Shareholder's Common Shares, such dividend shall be paid or transferred forthwith to the Shareholder entitled thereto. Any common shares of the Company received by way of dividend in respect of the Shareholder's Common Shares shall be dealt with as if they were Common Shares of the Shareholder subject to this Agreement.

6. In exercising the rights, duties and obligations prescribed or confirmed by this Agreement, the Trustee will act honestly and in good faith and will exercise that degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

7. The Shareholder and the Company agree from time to time and at all times hereafter well and truly to save, defend and keep harmless and fully indemnify the Trustee, its successors and assigns from and against all loss, costs, charges, suits, demands, claims, damages and expenses which the Trustee, its successors or assigns may at any time or times hereafter bear, sustain, suffer or be put unto for or by reason or on account of its acting pursuant to this Agreement or anything in any manner relating thereto or by reason of the Trustee's compliance in good faith with the terms hereof.

8. In case proceedings should hereafter be taken in any court respecting the Shareholder's Common Shares, the Trustee will not be obliged to defend any such action or submit its rights to the court until it has been indemnified by other good and sufficient security in addition to the indemnity given in Section 7 against its costs of such proceedings.

9. The Trustee will have no responsibility in respect of loss of the certificate or certificates representing the Shareholder's Common Shares except the duty to exercise such care in the safekeeping thereof as it would exercise if the Shareholder's Common Shares belonged to the Trustee. The Trustee may act on the advice of counsel but will not be responsible for acting or failing to act on the advice of counsel.

10. In the event that the Shareholder's Common Shares are attached, garnished or levied upon under any court order, or if the delivery of such property is stayed or enjoined by any court order or if any court order, judgment or decree is made or entered affecting such property or affecting any act by the Trustee, the Trustee will obey and comply with all writs, orders, judgments or decrees so entered or issued, whether with or without jurisdiction, notwithstanding any provision of this Agreement to the contrary. If the Trustee obeys and complies with any such writs, orders, judgments or decrees, it will not be liable to any of the parties hereto or to any other person, firm, association or corporation by reason of such compliance, notwithstanding that such writs, orders, judgments or decrees may be subsequently reversed, modified, annulled, set aside or vacated.

11. Except as herein otherwise provided, the Trustee is authorized and directed to disregard any and all notices and warnings which may be given to it by any of the parties hereto or by any other person, firm, association or corporation. It will, however, obey the order, judgment or decree of any court of competent jurisdiction, and it is hereby authorized to comply with and obey such orders, judgments or decrees and in case of such compliance, it shall not be liable by reason thereof to any of the parties hereto or to any other person, firm, association or

corporation, even if thereafter any such order, judgment or decree may be reversed, modified, annulled, set aside or vacated.

12. If the Trustee receives any valid court order contrary to the instructions contained in this Agreement, the Trustee may continue to hold the Shareholder's Common Shares until the lawful determination of the issue between the parties hereto.

13. If written notice of protest is made by the Shareholder and/or the Company to the Trustee to any action contemplated by the Trustee under this Agreement, and such notice sets out reasons for such protest, the Trustee may, at its sole discretion, continue to hold the Shareholder's Common Shares until the right to the documents is legally determined by a court of competent jurisdiction or otherwise.

14. The Trustee may resign as Trustee by giving not less than five (5) days' notice thereof to the Shareholder and the Company. The Shareholder and the Company may terminate the Trustee by giving not less than five (5) days' notice to the Trustee. The resignation or termination of the Trustee will be effective and the Trustee will cease to be bound by this Agreement on the date that is five (5) days after the date of receipt of the termination notice given hereunder or on such other date as the Trustee, the Shareholder and the Company may agree upon. All indemnities granted to the Trustee herein will survive the termination of this Agreement or the termination or resignation of the Trustee. In the event of termination or resignation of the Trustee for any reason, the Trustee shall, within that five (5) days' notice period deliver the Shareholder's Common Shares to the new trustee to be named by the Shareholder and the Company.

15. Notwithstanding anything to the contrary contained herein, in the event of any dispute arising between the Shareholder and/or the Company, this Agreement or any matters arising thereto, the Trustee may, in its sole discretion, deliver and interplead the Shareholder's Common Shares into court and such delivery and interpleading will be an effective discharge to the Trustee.

16. The Company will pay all of the compensation of the Trustee and will reimburse the Trustee for any and all reasonable expenses, disbursements and advances made by the Trustee in the performance of its duties hereunder, including reasonable fees, expenses and disbursements incurred by its counsel.

17. This Agreement shall enure to the benefit of and be binding upon the parties hereto and each of their heirs, executors, administrators, successors and permitted assigns.

18. This Agreement may be executed in several parts in the same form and such part as so executed shall together constitute one original agreement, and such parts, if more than one, shall be read together and construed as if all the signing parties hereto had executed one copy of this Agreement.

19. This Agreement will be exclusively governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the parties have executed this Agreement effective as of the date first above written:

◆ **[TRUSTEE]**

Per: _____
Authorized Signatory

BASTION RESOURCES LTD.

Per: _____
Authorized Signatory

Executed by _____)
(name of Shareholder) in the presence of:)

_____))
Witness (Signature))

_____))
(signature of Shareholder)

_____))
Name (please print))

_____))
(Name of Shareholder)

_____))
Address)

_____))
City, Province)

_____))
Occupation)

SCHEDULE "B"

COMMON SHARE POOLING AGREEMENT

This Pooling Agreement (the "**Agreement**") is made effective the ____ day of _____, 2012.

AMONG:

BASTION RESOURCES LTD., a corporation incorporated under the laws of the Province of British Columbia, with an office at 810 – 675 West Hastings Street, Vancouver, British Columbia V6B 1N2, Canada

(the "**Company**")

AND:

_____ (name of shareholder),
having an address at:

(the "**Shareholder**")

AND:

◆, having an address at ◆

(the "**Trustee**")

WHEREAS:

D. On March 23, 2012, the Company, 0934448 B.C. Ltd. ("**Subco**"), a subsidiary of the Company, and Acclaro Mining Corporation ("**Acclaro**") entered into an Amalgamation Agreement (the "**Amalgamation Agreement**"), whereby the parties agreed to complete a three-cornered amalgamation pursuant to which Subco will amalgamate with Acclaro (the "**Amalgamation**") and, on completion of the Amalgamation, former securityholders of Acclaro will receive securities of the Company;

E. In the Amalgamation Agreement, Acclaro agreed to use its best efforts to cause each of the shareholders (the "**Acclaro Shareholders**") of common shares of Acclaro to, on or prior to the closing of the Amalgamation, enter into a pooling agreement pursuant to which sixty (60%) percent of the common shares of the Company (the "**Common Shares**") issued to the Acclaro Shareholders in connection with the Amalgamation would be pooled and released as to 25% on the date that is four months after the effective date of the Amalgamation and then as to 25% every four months thereafter; and

F. The Shareholder wishes to pool the Common Shares that the Shareholder will receive or has received in connection with the Amalgamation in accordance with the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreement herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties), the parties covenant and agree as follows:

1. The Shareholder hereby agrees with the Trustee that it will deliver or cause to be delivered to the Trustee, a certificate or certificates representing all of the Common Shares that the Shareholder will receive or has received in connection with the Amalgamation, which Common Shares are to be held by the Trustee and released, subject to this Section 1, to the Shareholder on the following basis:

- (a) 25% of the Shareholder's Common Shares on the date which is four months after the effective date of the Amalgamation (the "**First Release Date**");
- (b) 25% of the Shareholder's Common Shares on the date that is four months after the First Release Date;
- (c) 25% of the Shareholder's Common Shares on the date that is eight months after the First Release Date; and
- (d) 25% of the Shareholder's Common Shares on the date that is twelve months after the First Release Date.

2. The Shareholder shall be entitled, from time to time, to a letter or receipt from the Trustee stating the number of the Common Shares represented by a certificate or certificates held for the Shareholder by the Trustee, subject to the terms of this Agreement, but such letter or receipt shall not be assignable.

3. If, during the period in which any of the Shareholder's Common Shares are retained in trust pursuant hereto, the Shareholder shall be entitled to vote such Common Shares at any meeting of the shareholders of the Company held during such period.

4. The Shareholder shall not sell, deal in, assign, transfer in any manner whatsoever, or agree to sell, deal in, assign or transfer in any manner whatsoever, any of the Shareholder's Common Shares or beneficial ownership of or any interest in the Shareholder's Common Shares and the Trustee shall not accept or acknowledge any transfer, assignment, declaration of trust or any other document evidencing a change in legal and beneficial ownership of or interest in the Shareholder's Common Shares, prior to the release of such Common Shares in accordance with the terms of this Agreement, except as may be required by reason of the death or bankruptcy of the Shareholder, in which case the Trustee shall hold the certificate or certificates for the Shareholder's Common Shares subject to this Agreement for whatever person or persons, firm or corporation may thus become legally entitled thereto.

5. If, during the period in which any of the Shareholder's Common Shares are retained in trust pursuant hereto, any dividend, other than a dividend paid in common shares of the

Company, is received by the Trustee in respect of the Shareholder's Common Shares, such dividend shall be paid or transferred forthwith to the Shareholder entitled thereto. Any common shares of the Company received by way of dividend in respect of the Shareholder's Common Shares shall be dealt with as if they were Common Shares of the Shareholder subject to this Agreement.

6. In exercising the rights, duties and obligations prescribed or confirmed by this Agreement, the Trustee will act honestly and in good faith and will exercise that degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

7. The Shareholder and the Company agree from time to time and at all times hereafter well and truly to save, defend and keep harmless and fully indemnify the Trustee, its successors and assigns from and against all loss, costs, charges, suits, demands, claims, damages and expenses which the Trustee, its successors or assigns may at any time or times hereafter bear, sustain, suffer or be put unto for or by reason or on account of its acting pursuant to this Agreement or anything in any manner relating thereto or by reason of the Trustee's compliance in good faith with the terms hereof.

8. In case proceedings should hereafter be taken in any court respecting the Shareholder's Common Shares, the Trustee will not be obliged to defend any such action or submit its rights to the court until it has been indemnified by other good and sufficient security in addition to the indemnity given in Section 7 against its costs of such proceedings.

9. The Trustee will have no responsibility in respect of loss of the certificate or certificates representing the Shareholder's Common Shares except the duty to exercise such care in the safekeeping thereof as it would exercise if the Shareholder's Common Shares belonged to the Trustee. The Trustee may act on the advice of counsel but will not be responsible for acting or failing to act on the advice of counsel.

10. In the event that the Shareholder's Common Shares are attached, garnished or levied upon under any court order, or if the delivery of such property is stayed or enjoined by any court order or if any court order, judgment or decree is made or entered affecting such property or affecting any act by the Trustee, the Trustee will obey and comply with all writs, orders, judgments or decrees so entered or issued, whether with or without jurisdiction, notwithstanding any provision of this Agreement to the contrary. If the Trustee obeys and complies with any such writs, orders, judgments or decrees, it will not be liable to any of the parties hereto or to any other person, firm, association or corporation by reason of such compliance, notwithstanding that such writs, orders, judgments or decrees may be subsequently reversed, modified, annulled, set aside or vacated.

11. Except as herein otherwise provided, the Trustee is authorized and directed to disregard any and all notices and warnings which may be given to it by any of the parties hereto or by any other person, firm, association or corporation. It will, however, obey the order, judgment or decree of any court of competent jurisdiction, and it is hereby authorized to comply with and obey such orders, judgments or decrees and in case of such compliance, it shall not be liable by reason thereof to any of the parties hereto or to any other person, firm, association or

corporation, even if thereafter any such order, judgment or decree may be reversed, modified, annulled, set aside or vacated.

12. If the Trustee receives any valid court order contrary to the instructions contained in this Agreement, the Trustee may continue to hold the Shareholder's Common Shares until the lawful determination of the issue between the parties hereto.

13. If written notice of protest is made by the Shareholder and/or the Company to the Trustee to any action contemplated by the Trustee under this Agreement, and such notice sets out reasons for such protest, the Trustee may, at its sole discretion, continue to hold the Shareholder's Common Shares until the right to the documents is legally determined by a court of competent jurisdiction or otherwise.

14. The Trustee may resign as Trustee by giving not less than five (5) days' notice thereof to the Shareholder and the Company. The Shareholder and the Company may terminate the Trustee by giving not less than five (5) days' notice to the Trustee. The resignation or termination of the Trustee will be effective and the Trustee will cease to be bound by this Agreement on the date that is five (5) days after the date of receipt of the termination notice given hereunder or on such other date as the Trustee, the Shareholder and the Company may agree upon. All indemnities granted to the Trustee herein will survive the termination of this Agreement or the termination or resignation of the Trustee. In the event of termination or resignation of the Trustee for any reason, the Trustee shall, within that five (5) days' notice period deliver the Shareholder's Common Shares to the new trustee to be named by the Shareholder and the Company.

15. Notwithstanding anything to the contrary contained herein, in the event of any dispute arising between the Shareholder and/or the Company, this Agreement or any matters arising thereto, the Trustee may, in its sole discretion, deliver and interplead the Shareholder's Common Shares into court and such delivery and interpleading will be an effective discharge to the Trustee.

16. The Company will pay all of the compensation of the Trustee and will reimburse the Trustee for any and all reasonable expenses, disbursements and advances made by the Trustee in the performance of its duties hereunder, including reasonable fees, expenses and disbursements incurred by its counsel.

17. This Agreement shall enure to the benefit of and be binding upon the parties hereto and each of their heirs, executors, administrators, successors and permitted assigns.

18. This Agreement may be executed in several parts in the same form and such part as so executed shall together constitute one original agreement, and such parts, if more than one, shall be read together and construed as if all the signing parties hereto had executed one copy of this Agreement.

19. This Agreement will be exclusively governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF the parties have executed this Agreement effective as of the date first above written:

◆ **[TRUSTEE]**

Per: _____
Authorized Signatory

BASTION RESOURCES LTD.

Per: _____
Authorized Signatory

Executed by _____)
(name of Shareholder) in the presence of:)

_____)
Witness (Signature))

_____)
(signature of Shareholder)

_____)
Name (please print))

_____)
(Name of Shareholder)

_____)
Address)

_____)
City, Province)

_____)
Occupation)

SCHEDULE "C"

ACCLARO MATERIAL CONTRACTS

1. Mining Lease Agreement dated December 21, 2010 between Cece and Ibanez
2. Financial Advisory Agreement dated February 29, 2012 between Acclaro and the Agent

SCHEDULE "D"

ACCLARO SHAREHOLDER LOANS

Shareholder Name	Principal Amount Outstanding
Todd Quinlan	\$74,985.00
Richard Parry	37,492.50
Charles Dixon	12,497.50
Daniel Baer	12,497.50
1121256 Alberta Ltd.	24,995.00
Productive Technologies Inc.	12,497.50
Michelle Fournier	12,497.50
White Gorilla Controls Ltd.	37,492.50
1061633 Alberta Ltd.	37,492.50
William Durie	24,995.00
TOTAL	\$287,442.50

SCHEDULE "E"

FORM OF AMALGAMATION APPLICATION



Ministry of Finance
Corporate and Personal
Property Registries
www.fin.gov.bc.ca/registries

AMALGAMATION APPLICATION

FORM 13 – BC COMPANY
Section 275 *Business Corporations Act*

Telephone: 250 356 – 8626
Office Hours: 8:30 – 4:30 (Monday – Friday)

DO NOT MAIL THIS FORM to the Corporate and Personal Property Registries unless you are instructed to do so by registry staff. The regulations under the *Business Corporations Act* requires this form to be filed on the internet at www.corporateonline.gov.bc.ca

Freedom of Information and Protection of Privacy Act (FIPPA)
The personal information requested on this form is made available to the public under the authority of the *Business Corporations Act*. Questions about how the *FIPPA* applies to this personal information can be directed to the Administrative Assistant of the Corporate and Personal Property Registries at 250 356-1198, PO Box 9431 Stn Prov Govt, Victoria BC V8W 9V3.

A. NAME OF COMPANY – Choose *one* of the following:

The name is the name reserved for the amalgamated company. The name reservation number is 3,
OR

The company is to be amalgamated with a name by adding "B.C. Ltd." after the incorporation number of the company, OR

The amalgamated company is to adopt, as its name, the name of one of the amalgamating companies.

The name of the amalgamating company being adopted is:

Acclaro Mining Corporation

The incorporation number associated with that company is:
BC0889564

Please note: If you want the name of an amalgamating corporation that is a foreign corporation, you must obtain a name approval before completing this amalgamation application.

B. AMALGAMATION STATEMENT – Please indicate the statement applicable to the amalgamation.:

With Court Approval:
This amalgamation has been approved by the court and a copy of the entered court order approving the amalgamation has been obtained and has been deposited in the records office of each of the amalgamating companies.

OR

Without Court Approval:
This amalgamation has been effected without court approval. A copy of all the required affidavits under section 277(1) have been obtained and the affidavit obtained from each amalgamating company has been deposited in that company's records office.

C. AMALGAMATION EFFECTIVE DATE – Choose *one* of the following:

The amalgamation is to take effect at the time that this application is filed with the registrar.

The amalgamation is to take effect at 12:01 a.m. Pacific Time on _____ being a date that is not more than ten days after the date of the filing of this application.

The amalgamation is to take effect at {time} Pacific Time on {Effective Date} being a date and time that is not more than ten days after the date of the filing of this application.

D. AMALGAMATING CORPORATIONS

Enter the name of each amalgamating corporation below. For each company, enter the incorporation number. If the amalgamating corporation is a foreign corporation, enter the foreign corporation's jurisdiction and if registered in BC as an extraprovincial company, enter the extraprovincial company's registration number. Attach an additional sheet if more space is required.

NAME OF AMALGAMATING CORPORATION	BC INCORPORATION NUMBER, OR EXTRAPROVINCIAL REGISTRATION NUMBER IN BC	FOREIGN CORPORATION'S JURISDICTION
ACCLARO MINING CORPORATION	BC0889564	N/A
0934448 B.C. LTD.	BC0934448	N/A

E. FORMALITIES TO AMALGAMATION

If any amalgamating corporation is a foreign corporation, section 275 (1)(b) requires an authorization for the amalgamation from the foreign corporation's jurisdiction to be filed.

This is to confirm that each authorization for the amalgamation required under section 275(1)(b) is being submitted for filing concurrently with this application.

F. CERTIFIED CORRECT – I have read this form and found it to be correct.

This form must be signed by an authorized signing authority for each of the amalgamating companies.

NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED (YYYY / MM / DD)
Randolph Wright	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED (YYYY / MM / DD)
Peter Hughes	X	

NOTICE OF ARTICLES

A. NAME OF COMPANY

Set out the name of the company as set out in Item A of the Amalgamation Application.

ACCLARO MINING CORPORATION

B. TRANSLATION OF COMPANY NAME

Set out every translation of the company name that the company intends to use outside of Canada, or if none, enter "not applicable".

N/A

C. DIRECTOR NAME(S) AND ADDRESS(ES)

Set out the full name, delivery address and mailing address (if different) of every director of the company. The delivery address must be for the office at which the individual can usually be served with records between 9 a.m. and 4 p.m. on business days. If there is no office at which the individual can usually be served with records during statutory business hours, enter the delivery address and mailing address, if different, of the individual's residence. Attach an additional sheet if more space is required.

FULL NAME INCLUDING MIDDLE NAME, IF APPLICABLE	DELIVERY ADDRESS INCLUDING POSTAL CODE	MAILING ADDRESS INCLUDING POSTAL CODE
Randolph Weldon Wright	Suite 601 – 570 Granville Street Vancouver, BC V6C 3P1	Suite 601 – 570 Granville Street Vancouver, BC V6C 3P1

D. REGISTERED OFFICE ADDRESSES

DELIVERY ADDRESS OF THE COMPANY'S REGISTERED OFFICE (INCLUDING POSTAL CODE)

800 - 885 West Georgia Street, Vancouver, BC V6C 3H1

MAILING ADDRESS OF THE COMPANY'S REGISTERED OFFICE (INCLUDING POSTAL CODE)

800 - 885 West Georgia Street, Vancouver, BC V6C 3H1

E. RECORDS OFFICE ADDRESSES

DELIVERY ADDRESS OF THE COMPANY'S RECORDS OFFICE (INCLUDING POSTAL CODE)

800 - 885 West Georgia Street, Vancouver, BC V6C 3H1

MAILING ADDRESS OF THE COMPANY'S RECORDS OFFICE (INCLUDING POSTAL CODE)

800 - 885 West Georgia Street, Vancouver, BC V6C 3H1

F. AUTHORIZED SHARE STRUCTURE

Identifying name of class or series of shares	Maximum number of shares of this class or series of shares that the company is authorized to issue	Kind of shares of this class or series of shares		Are there special rights or restrictions attached to the shares of this class or series of shares?
	MAXIMUM NUMBER OF SHARES AUTHORIZED	PAR VALUE	TYPE OF CURRENCY	YES/NO
Common	No Maximum	without		No
Preferred	No Maximum	without		Yes

SCHEDULE “F”
FORM OF ARTICLES OF AMALCO

Incorporation No. ◆

BUSINESS CORPORATIONS ACT

ARTICLES

OF

ACCLARO MINING CORPORATION

PART 1– INTERPRETATION

1.1 Definitions

Without limiting Article 1.2, in these Articles, unless the context requires otherwise:

“**adjourned meeting**” means the meeting to which a meeting is adjourned under Article 8.6 or 8.9;

“**board**” and “**directors**” mean the board of directors of the Company for the time being;

“**Business Corporations Act**” means the Business Corporations Act, S.B.C. 2002, c.57, and includes its regulations;

“**Company**” means Acclaro Mining Corporation;

“**Interpretation Act**” means the *Interpretation Act*, R.S.B.C. 1996, c. 238;

“**trustee**”, in relation to a shareholder, means the personal or other legal representative of the shareholder, and includes a trustee in bankruptcy of the shareholder.

1.2 Business Corporations Act definitions apply

The definitions in the *Business Corporations Act* apply to these Articles.

1.3 Interpretation Act applies

The *Interpretation Act* applies to the interpretation of these Articles as if these Articles were an enactment.

1.4 Conflict in definitions

If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles.

1.5 Conflict between Articles and legislation

If there is a conflict between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

PART 2 – SHARES AND SHARE CERTIFICATES

2.1 Form of share certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

2.2 Shareholder Entitled to Certificate or Acknowledgement

Each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgement of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate and delivery of a share certificate for a share to one of several joint shareholders or to one of the shareholders' duly authorized agents will be sufficient delivery to all.

2.3 Sending of share certificate

Any share certificate to which a shareholder is entitled may be sent to the shareholder by mail and neither the Company nor any agent is liable for any loss to the shareholder because the certificate sent is lost in the mail or stolen.

2.4 Replacement of worn out or defaced certificate

If the directors are satisfied that a share certificate is worn out or defaced, they must, on production to them of the certificate and on such other terms, if any, as they think fit,

- (a) order the certificate to be cancelled, and
- (b) issue a replacement share certificate.

2.5 Replacement of lost, stolen or destroyed certificate

If a share certificate is lost, stolen or destroyed, a replacement share certificate must be issued to the person entitled to that certificate if the directors receive

- (a) proof satisfactory to them that the certificate is lost, stolen or destroyed, and
- (b) any indemnity the directors consider adequate.

2.6 Splitting share certificates

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name 2 or more certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the certificate so surrendered, the Company must cancel the surrendered certificate and issue replacement share certificates in accordance with that request.

2.7 Shares may be uncertificated

Notwithstanding any other provisions of this Part, the directors may, by resolution, provide that:

- (a) the shares of any or all of the classes and series of the Company's shares must be uncertificated shares; or
- (b) any specified shares must be uncertificated shares.

PART 3 – ISSUE OF SHARES

3.1 Directors authorized to issue shares

The directors may, subject to the rights of the holders of the issued shares of the Company, issue, allot, sell, grant options on or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices that the directors, in their absolute discretion, may determine.

3.2 Company need not recognize unregistered interests

Except as required by law or these Articles, the Company need not recognize or provide for any person's interests in or rights to a share unless that person is the shareholder of the share.

PART 4 – SHARE TRANSFERS

4.1 Recording or registering transfer

A transfer of a share of the Company must not be registered

- (a) unless a duly signed instrument of transfer in respect of the share has been received by the Company and the certificate (or acceptable documents pursuant to Article 2.5 hereof) representing the share to be transferred has been surrendered and cancelled, or
- (b) if no certificate has been issued by the Company in respect of the share, unless a duly signed instrument of transfer in respect of the share has been received by the Company.

4.2 Form of instrument of transfer

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the directors from time to time.

4.3 Signing of instrument of transfer

If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer, or, if no number is specified, all the shares represented by share certificates deposited with the instrument of transfer,

- (a) in the name of the person named as transferee in that instrument of transfer, or
- (b) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the share certificate is deposited for the purpose of having the transfer registered.

4.4 Enquiry as to title not required

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

4.5 Transfer fee

There must be paid to the Company, in relation to the registration of any transfer, the amount determined by the directors from time to time.

PART 5 – ACQUISITION OF SHARES

5.1 Company authorized to purchase shares

Subject to the special rights and restrictions attached to any class or series of shares, the Company may, if it is authorized to do so by the directors, purchase or otherwise acquire any of its shares.

5.2 Company authorized to accept surrender of shares

The Company may, if it is authorized to do so by the directors, accept a surrender of any of its shares.

5.3 Company authorized to convert fractional shares into whole shares

The Company may, if it is authorized to do so by the directors, convert any of its fractional shares into whole shares in accordance with, and subject to the limitations contained in, the *Business Corporations Act*.

PART 6 – BORROWING POWERS

6.1 Powers of directors

The directors may from time to time on behalf of the Company

- (a) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate,
- (b) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person, and at any discount or premium and on such other terms as they consider appropriate,
- (c) guarantee the repayment of money by any other person or the performance of any obligation of any other person, and
- (d) mortgage or charge, whether by way of specific or floating charge, or give other security on the whole or any part of the present and future assets and undertaking of the Company.

PART 7 – GENERAL MEETINGS

7.1 Annual general meetings

Unless an annual general meeting is deferred or waived in accordance with section 182(2)(a) or (c) of the *Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual general meeting.

7.2 When annual general meeting is deemed to have been held

If all of the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the *Business Corporations Act* to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The

shareholders must, in any unanimous resolution passed under this Article 7.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

7.3 Calling of shareholder meetings

The directors may, whenever they think fit, call a meeting of shareholders.

7.4 Notice for meetings of shareholders

The Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting and to each director, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (a) if and for so long as the Company is a public company, 21 days;
- (b) otherwise, 10 days.

7.5 Record date for notice

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

- (a) if and for so long as the Company is a public company, 21 days;
- (b) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

7.6 Record date for voting

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

7.7 Failure to give notice and waiver of notice

The accidental omission to send notice of any meeting to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting.

7.8 Notice of special business at meetings of shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 8.1, the notice of meeting must:

- (a) state the general nature of the special business; and

(b) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:

(i) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and

(ii) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

PART 8 – PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

8.1 Special business

At a meeting of shareholders, the following business is special business:

(a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting or the election or appointment of directors;

(b) at an annual general meeting, all business is special business except for the following:

(i) business relating to the conduct of or voting at the meeting;

(ii) consideration of any financial statements of the Company presented to the meeting;

(iii) consideration of any reports of the directors or auditor;

(iv) the setting or changing of the number of directors;

(v) the election or appointment of directors;

(vi) the appointment of an auditor;

(vii) the setting of the remuneration of an auditor;

(viii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;

(ix) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

8.2 Special resolution

The votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds of the votes cast on the resolution.

8.3 Quorum

Subject to the special rights and restrictions attached to the shares of any affected class or series of shares, the quorum for the transaction of business at a meeting of shareholders is one or more persons, present in person or by proxy, who, in the aggregate, hold at least 1/20 of the issued shares entitled to be voted at the meeting.

8.4 Other persons may attend

The directors, the president, if any, the secretary, if any, and any lawyer or auditor for the Company are entitled to attend any meeting of shareholders, but if any of those persons do attend a meeting of shareholders, that person is not to be counted in the quorum, and is not entitled to vote at the meeting, unless that person is a shareholder or proxy holder entitled to vote at the meeting.

8.5 Requirement of quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote at the meeting is present at the commencement of the meeting.

8.6 Lack of quorum

If, within 1/2 hour from the time set for the holding of a meeting of shareholders, a quorum is not present,

- (a) in the case of a general meeting convened by requisition of shareholders, the meeting is dissolved, and
- (b) in the case of any other meeting of shareholders, the shareholders entitled to vote at the meeting who are present, in person or by proxy, at the meeting may adjourn the meeting to a set time and place.

8.7 Chair

The following individual is entitled to preside as chair at a meeting of shareholders:

- (a) the chair of the board, if any;
- (b) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

8.8 Alternate chair

At any meeting of shareholders, the directors present must choose one of their number to be chair of the meeting if: (a) there is no chair of the board or president present within 15 minutes after the time set for holding the meeting; (b) the chair of the board and the president are unwilling to act as chair of the meeting; or (c) if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting. If, in any of the foregoing circumstances, all of the directors present decline to accept the position of chair or fail to choose one of their number to be chair of the meeting, or if no director is present, the shareholders present in person or by proxy must choose any person present at the meeting to chair the meeting.

8.9 Adjournments

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

8.10 Notice of adjourned meeting

It is not necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

8.11 Motion need not be seconded

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

8.12 Manner of taking a poll

Subject to Article 8.13, if a poll is duly demanded at a meeting of shareholders,

- (a) the poll must be taken
 - (i) at the meeting, or within 7 days after the date of the meeting, as the chair of the meeting directs, and
 - (ii) in the manner, at the time and at the place that the chair of the meeting directs,
- (b) the result of the poll is deemed to be a resolution of, and passed at, the meeting at which the poll is demanded, and
- (c) the demand for the poll may be withdrawn.

8.13 Demand for a poll on adjournment

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

8.14 Demand for a poll not to prevent continuation of meeting

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

8.15 Poll not available in respect of election of chair

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

8.16 Casting of votes on poll

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

8.17 Chair must resolve dispute

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the same, and his or her determination made in good faith is final and conclusive.

8.18 Chair has no second vote

In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a casting or second vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

8.19 Declaration of result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting.

8.20 Meetings by telephone or other communications medium

A shareholder or proxy holder who is entitled to participate in a meeting of shareholders may do so in person, or by telephone or other communications medium, if all shareholders and proxy holders participating in the meeting are able to communicate with each other; provided, however, that nothing in this Section shall obligate the Company to take any action or provide any facility to permit or facilitate the use of any communications medium at a meeting of shareholders. If one or more shareholders or proxy holders participate in a meeting of shareholders in a manner contemplated by this Section 8.20,

- (a) each such shareholder or proxy holder shall be deemed to be present at the meeting, and
- (b) the meeting shall be deemed to be held at the location specified in the notice of the meeting.

PART 9 – ALTERATIONS

9.1 Alteration of Authorized Share Structure

Subject to Article 9.2 and the *Business Corporations Act*, the Company may by resolution of the directors:

- (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
- (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
- (c) if the Company is authorized to issue shares of a class of shares with par value:
 - (i) decrease the par value of those shares,
 - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares,
 - (iii) subdivide all or any of its unissued or fully paid issued shares with par value into shares of smaller par value, or
 - (iv) consolidate all or any of its unissued or fully paid issued shares with par value into shares of larger par value;
- (d) subdivide all or any of its unissued or fully paid issued shares without par value;
- (e) change all or any of its unissued or fully paid issued shares with par value into shares without par value or all or any of its unissued shares without par value into shares with par value;
- (f) alter the identifying name of any of its shares;
- (g) consolidate all or any of its unissued or fully paid issued shares without par value; or

(h) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*.

9.2 Change of Name

The Company may by resolution of the directors authorize an alteration to its Notice of Articles in order to change its name or adopt or change any translation of that name.

9.3 Other Alterations

If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by resolution of the directors authorize an alteration of these Articles.

PART 10 – VOTES OF SHAREHOLDERS

10.1 Voting rights

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint registered holders of shares under Article 10.3,

(a) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote at the meeting has one vote, and

(b) on a poll, every shareholder entitled to vote has one vote in respect of each share held by that shareholder that carries the right to vote on that poll and may exercise that vote either in person or by proxy.

10.2 Trustee of shareholder may vote

A person who is not a shareholder may vote on a resolution at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting in relation to that resolution, if, before doing so, the person satisfies the chair of the meeting at which the resolution is to be considered, or satisfies all of the directors present at the meeting, that the person is a trustee for a shareholder who is entitled to vote on the resolution.

10.3 Votes by joint shareholders

If there are joint shareholders registered in respect of any share,

(a) any one of the joint shareholders, but not both or all, may vote at any meeting, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it, or

(b) if more than one of the joint shareholders is present at any meeting, personally or by proxy, the joint shareholder present whose name stands first on the central securities register in respect of the share is alone entitled to vote in respect of that share.

10.4 Trustees as joint shareholders

Two or more trustees of a shareholder in whose sole name any share is registered are, for the purposes of Article 10.3, deemed to be joint shareholders.

10.5 Representative of a corporate shareholder

If a corporation that is not a subsidiary of the Company is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and,

- (a) for that purpose, the instrument appointing a representative must
 - (i) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least 2 business days before the day set for the holding of the meeting, or
 - (ii) be provided, at the meeting, to the chair of the meeting, and
- (b) if a representative is appointed under this Article 10.5,
 - (i) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder, and
 - (ii) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

10.6 When proxy provisions do not apply

Articles 10.7 to 10.13 do not apply to the Company if and for so long as it is a public company.

10.7 Appointment of proxy holder

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint a proxy holder to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

10.8 Alternate proxy holders

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

10.9 When proxy holder need not be shareholder

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if

- (a) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 10.5,
- (b) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting, or
- (c) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting.

10.10 Form of proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

(Name of Company)

The undersigned, being a shareholder of the above named Company, hereby appoints or, failing that person,, as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders to be held on the day of and at any adjournment of that meeting.

Signed this day of,

.....
Signature of shareholder

10.11 Provision of proxies

A proxy for a meeting of shareholders must

- (a) be received at the registered office of the Company or at any other place specified in the notice calling the meeting for the receipt of proxies, at least the number of business days specified in the notice or, if no number of days is specified, 2 business days before the day set for the holding of the meeting, or
- (b) unless the notice provides otherwise, be provided at the meeting to the chair of the meeting.

10.12 Revocation of proxies

Subject to Article 10.13, every proxy may be revoked by an instrument in writing that is

- (a) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used, or
- (b) provided at the meeting to the chair of the meeting.

10.13 Revocation of proxies must be signed

An instrument referred to in Article 10.12 must be signed as follows:

- (a) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her trustee;
- (b) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 10.5.

10.14 Validity of proxy votes

A vote given in accordance with the terms of a proxy is valid despite the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received

- (a) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used, or
- (b) by the chair of the meeting, before the vote is taken.

10.15 Production of evidence of authority to vote

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

PART 11 – DIRECTORS

11.1 First directors; number of directors

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations Act*. The number of directors, excluding additional directors appointed under Article 12.7, is set at:

- (a) subject to paragraphs (b) and (c), the number of directors that is equal to the number of the Company's first directors;
- (b) if the Company is a public company, the greater of three and the number most recently elected by ordinary resolution (whether or not previous notice of the resolution was given); and
- (c) if the Company is not a public company, the number most recently elected by ordinary resolution (whether or not previous notice of the resolution was given).

11.2 Change in number of directors

If the number of directors is set under Articles 11.1(b) or 11.1(c):

- (a) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;
- (b) if, contemporaneously with setting that number, the shareholders do not elect or appoint the directors needed to fill vacancies in the board of directors up to that number, then the directors may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

11.3 Directors' acts valid despite vacancy

An act or proceeding of the directors is not invalid merely because fewer directors have been appointed or elected than the number of directors set or otherwise required under these Articles.

11.4 Qualifications of directors

A director is not required to hold a share in the capital of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

11.5 Remuneration of directors

The directors are entitled to the remuneration, if any, for acting as directors as the directors may from time to time determine. If the directors so decide, the remuneration of the directors will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to a director in such director's capacity as an officer or employee of the Company.

11.6 Reimbursement of expenses of directors

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

11.7 Special remuneration for directors

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by

ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

11.8 Gratuity, pension or allowance on retirement of director

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

PART 12 – ELECTION AND REMOVAL OF DIRECTORS

12.1 Election at annual general meeting

At every annual general meeting and in every unanimous resolution contemplated by Article 7.2:

- (a) the shareholders entitled to vote at the annual general meeting for the election of directors may elect, or in the unanimous resolution appoint, a board of directors consisting of up to the number of directors for the time being set under these Articles; and
- (b) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (a), but are eligible for re-election or re-appointment.

12.2 Consent to be a director

No election, appointment or designation of an individual as a director is valid unless:

- (a) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;
- (b) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or
- (c) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

12.3 Failure to elect or appoint directors

If:

- (a) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 7.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or
- (b) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 7.2, to elect or appoint any directors;

then each director in office at such time continues to hold office until the earlier of:

- (c) the date on which his or her successor is elected or appointed; and
- (d) the date on which he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

12.4 Directors may fill casual vacancies

Any casual vacancy occurring in the board of directors may be filled by the remaining directors.

12.5 Remaining directors' power to act

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or for the purpose of summoning a meeting of shareholders to fill any vacancies on the board of directors or for any other purpose permitted by the *Business Corporations Act*.

12.6 Shareholders may fill vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, and the directors have not filled the vacancies pursuant to Article 12.5 above, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

12.7 Additional directors

Notwithstanding Articles 11.1 and 11.2, between annual general meetings or unanimous resolutions contemplated by Article 7.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 12.7 must not at any time exceed:

- (a) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or
- (b) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 12.7.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 12.1(a), but is eligible for re-election or re-appointment.

12.8 Ceasing to be a director

A director ceases to be a director when:

- (a) the term of office of the director expires;
- (b) the director dies;
- (c) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (d) the director is removed from office pursuant to Articles 12.9 or 12.10.

12.9 Removal of director by shareholders

The Shareholders may, by special resolution, remove any director before the expiration of his or her term of office, and may, by ordinary resolution, elect or appoint a director to fill the resulting vacancy. If the shareholders do not contemporaneously elect or appoint a director to fill the vacancy created by the removal of a director, then the directors may appoint, or the shareholders may elect or appoint by ordinary resolution, a director to fill that vacancy.

12.10 Removal of director by directors

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

PART 13 – PROCEEDINGS OF DIRECTORS

13.1 Meetings of directors

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the board held at regular intervals may be held at the place and at the time that the board may by resolution from time to time determine.

13.2 Chair of meetings

Meetings of directors are to be chaired by

- (a) the chair of the board, if any,
- (b) in the absence of the chair of the board, the president, if any, if the president is a director, or
- (c) any other director chosen by the directors if
 - (i) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting,
 - (ii) neither the chair of the board nor the president, if a director, is willing to chair the meeting, or
 - (iii) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

13.3 Voting at meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

13.4 Meetings by telephone or other communications medium

A director may participate in a meeting of the directors or of any committee of the directors in person, or by telephone or other communications medium, if all directors participating in the meeting are able to communicate with each other. A director may participate in a meeting of the directors or of any committee of the directors by a communications medium other than telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all directors who wish to participate in the meeting agree to such participation. A director who participates in a meeting in a manner contemplated by this Article 13.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

13.5 Who may call extraordinary meetings

A director may call a meeting of the board at any time. The secretary, if any, must on request of a director, call a meeting of the board.

13.6 Notice of extraordinary meetings

Subject to Articles 13.7 and 13.8, if a meeting of the board is called under Article 13.4, reasonable notice of that meeting, specifying the place, date and time of that meeting, must be given to each of the directors

- (a) by mail addressed to the director's address as it appears on the books of the Company or to any other address provided to the Company by the director for this purpose,
- (b) by leaving it at the director's prescribed address or at any other address provided to the Company by the director for this purpose, or
- (c) orally, by delivery of written notice or by telephone, voice mail, e-mail, fax or any other method of legibly transmitting messages.

13.7 When notice not required

It is not necessary to give notice of a meeting of the directors to a director if

- (a) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed or is the meeting of the directors at which that director is appointed,
- (b) the director has filed a waiver under Article 13.9, or
- (c) the director attends such meeting.

13.8 Meeting valid despite failure to give notice

The accidental omission to give notice of any meeting of directors to any director, or the non-receipt of any notice by any director, does not invalidate any proceedings at that meeting.

13.9 Waiver of notice of meetings

Any director may file with the Company a notice waiving notice of any past, present or future meeting of the directors and may at any time withdraw that waiver with respect to meetings of the directors held after that withdrawal.

13.10 Effect of waiver

After a director files a waiver under Article 13.9 with respect to future meetings of the directors, and until that waiver is withdrawn, notice of any meeting of the directors need not be given to that director unless the director otherwise requires in writing to the Company.

13.11 Quorum

The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is a majority of the directors.

13.12 If only one director

If, in accordance with Article 11.1, the number of directors is one, the quorum necessary for the transaction of the business of the directors is one director, and that director may constitute a meeting.

PART 14 – COMMITTEES OF DIRECTORS

14.1 Appointment of committees

The directors may, by resolution,

- (a) appoint one or more committees consisting of the director or directors that they consider appropriate,
- (b) delegate to a committee appointed under paragraph (a) any of the directors' powers, except
 - (i) the power to fill vacancies in the board,
 - (ii) the power to change the membership of, or fill vacancies in, any committee of the board, and
 - (iii) the power to appoint or remove officers appointed by the board, and
- (c) make any delegation referred to in paragraph (b) subject to the conditions set out in the resolution.

14.2 Obligations of committee

Any committee formed under Article 14.1, in the exercise of the powers delegated to it, must

- (a) conform to any rules that may from time to time be imposed on it by the directors, and
- (b) report every act or thing done in exercise of those powers to the earliest meeting of the directors to be held after the act or thing has been done.

14.3 Powers of board

The board may, at any time,

- (a) revoke the authority given to a committee, or override a decision made by a committee, except as to acts done before such revocation or overriding,
- (b) terminate the appointment of, or change the membership of, a committee, and
- (c) fill vacancies in a committee,

14.4 Committee meetings

Subject to Article 14.2(a),

- (a) the members of a directors' committee may meet and adjourn as they think proper,
- (b) a directors' committee may elect a chair of its meetings but, if no chair of the meeting is elected, or if at any meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting,
- (c) a majority of the members of a directors' committee constitutes a quorum of the committee, and

(d) questions arising at any meeting of a directors' committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting has no second or casting vote.

PART 15 – OFFICERS

15.1 Appointment of officers

The board may, from time to time, appoint a president, secretary or any other officers that it considers necessary or desirable, and none of the individuals appointed as officers need be a member of the board.

15.2 Functions, duties and powers of officers

The board may, for each officer,

- (a) determine the functions and duties the officer is to perform,
- (b) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit, and
- (c) from time to time revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

15.3 Remuneration

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the board thinks fit and are subject to termination at the pleasure of the board.

PART 16 – CERTAIN PERMITTED ACTIVITIES OF DIRECTORS

16.1 Other office of director

A director may hold any office or place of profit with the Company (other than the office of auditor of the Company) in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

16.2 No disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise.

16.3 Professional services by director or officer

Subject to compliance with the provisions of the *Business Corporations Act*, a director or officer of the Company, or any corporation or firm in which that individual has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such corporation or firm is entitled to remuneration for professional services as if that individual were not a director or officer.

16.4 Remuneration and benefits received from certain entities

A director or officer may be or become a director, officer or employee of, or may otherwise be or become interested in, any corporation, firm or entity in which the Company may be interested as a shareholder or otherwise, and, subject to compliance with the provisions of the *Business Corporations Act*, the director or officer is not accountable

to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other corporation, firm or entity.

PART 17 – INDEMNIFICATION

17.1 Indemnification of directors

The directors must cause the Company to indemnify its directors and former directors, and their respective heirs and personal or other legal representatives to the greatest extent permitted by Division 5 of Part 5 of the *Business Corporations Act*.

17.2 Deemed contract

Each director is deemed to have contracted with the Company on the terms of the indemnity referred to in Article 17.1.

PART 18 – AUDITOR

18.1 Remuneration of an auditor

The directors may set the remuneration of the auditor of the Company.

18.2 Waiver of appointment of an auditor

The Company shall not be required to appoint an auditor if all of the shareholders of the Company, whether or not their shares otherwise carry the right to vote, resolve by a unanimous resolution to waive the appointment of an auditor. Such waiver may be given before, on or after the date on which an auditor is required to be appointed under the *Business Corporations Act*, and is effective for one financial year only.

PART 19 – DIVIDENDS

19.1 Declaration of dividends

Subject to the rights, if any, of shareholders holding shares with special rights as to dividends, the directors may from time to time declare and authorize payment of any dividends the directors consider appropriate.

19.2 No notice required

The directors need not give notice to any shareholder of any declaration under Article 19.1.

19.3 Directors may determine when dividend payable

Any dividend declared by the directors may be made payable on such date as is fixed by the directors.

19.4 Dividends to be paid in accordance with number of shares

Subject to the rights of shareholders, if any, holding shares with special rights as to dividends, all dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

19.5 Manner of paying dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of paid up shares or fractional shares, bonds, debentures or other debt obligations of the Company, or in any one or more of those ways, and, if any difficulty arises in regard to the distribution, the directors may settle the difficulty as they consider expedient, and, in particular, may set the value for distribution of specific assets.

19.6 Dividend bears no interest

No dividend bears interest against the Company.

19.7 Fractional dividends

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

19.8 Payment of dividends

Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed

- (a) subject to paragraphs (b) and (c), to the address of the shareholder,
- (b) subject to paragraph (c), in the case of joint shareholders, to the address of the joint shareholder whose name stands first on the central securities register in respect of the shares, or
- (c) to the person and to the address as the shareholder or joint shareholders may direct in writing.

19.9 Receipt by joint shareholders

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

PART 20 – ACCOUNTING RECORDS

20.1 Recording of financial affairs

The board must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the provisions of the *Business Corporations Act*.

PART 21 – EXECUTION OF INSTRUMENTS

21.1 Who may attest seal

The Company's seal, if any, must not be impressed on any record except when that impression is attested by the signature or signatures of

- (a) any 2 directors,
- (b) any officer, together with any director,
- (c) if the Company has only one director, that director, or
- (d) any one or more directors or officers or persons as may be determined by resolution of the directors.

21.2 Sealing copies

For the purpose of certifying under seal a true copy of any resolution or other document, the seal must be impressed on that copy and, despite Article 21.1, may be attested by the signature of any director or officer.

21.3 Execution of documents not under seal

Any instrument, document or agreement for which the seal need not be affixed may be executed for and on behalf of and in the name of the Company by any one director or officer of the Company, or by any other person appointed by the directors for such purpose.

PART 22 – NOTICES

22.1 Method of giving notice

Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (a) mail addressed to the person at the applicable address for that person as follows:
 - (i) for a record mailed to a shareholder, the shareholder's registered address;
 - (ii) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
 - (iii) in any other case, the mailing address of the intended recipient;
- (b) delivery at the applicable address for that person as follows, addressed to the person:
 - (i) for a record delivered to a shareholder, the shareholder's registered address;
 - (ii) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
 - (iii) in any other case, the delivery address of the intended recipient;
- (c) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (d) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;
- (e) physical delivery to the intended recipient.

22.2 Deemed receipt of mailing

A record that is mailed to a person by ordinary mail to the applicable address for that person referred to in Article 22.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing.

22.3 Certificate of sending

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record was addressed as required by Article 22.1, prepaid and mailed or otherwise sent as permitted by Article 22.1 is conclusive evidence of that fact.

22.4 Notice to joint shareholders

A notice, statement, report or other record may be provided by the Company to the joint registered shareholders of a share by providing the notice to the joint registered shareholder first named in the central securities register in respect of the share.

22.5 Notice to trustees

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

- (a) mailing the record, addressed to them:
 - (i) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
 - (ii) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (b) if an address referred to in Article 22.5(a)(ii) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

PART 23 – RESTRICTION ON SHARE TRANSFER

23.1 Application

Article 23.2 does not apply to the Company if and for so long as it is a public company.

23.2 Consent required for transfer

No shares may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

PART 24 - SPECIAL RIGHTS AND RESTRICTIONS

24.1 Preferred shares issuable in series

The Preferred shares may include one or more series and, subject to the *Business Corporations Act*, the directors may, by resolution, if none of the shares of any particular series are issued, alter the Articles of the Company and authorize the alteration of the Notice of Articles of the Company, as the case may be, to do one or more of the following:

- (a) determine the maximum number of shares of that series that the Company is authorized to issue, determine that there is no such maximum number, or alter any such determination;
- (b) create an identifying name for the shares of that series, or alter any such identifying name; and

(c) attach special rights or restrictions to the shares of that series, or alter any such special rights or restrictions.

Full Name and signature of incorporator	Date of Signing
◆ _____	◆

SCHEDULE "G"

FORM OF AMALGAMATION RESOLUTION

BE IT RESOLVED AS A RESOLUTION OF A SPECIAL MAJORITY OF ACCLARO SHAREHOLDERS THAT:

1. The amalgamation (the "**Amalgamation**") of Acclaro Mining Corporation ("**Acclaro**") and 0934448 B.C. Ltd. (the "**Bastion Sub**") under the name "Acclaro Mining Corporation", or such other name as may be determined by the directors, to be effected pursuant to the terms and conditions set forth in the amalgamation agreement dated March 23, 2012 (the "**Amalgamation Agreement**") among Acclaro, Bastion and the Bastion Sub, and as further described in the joint information circular of Acclaro and Bastion dated March 26, 2012, be and is hereby authorized and approved, subject to such restrictions or conditions as may be required by the Canadian National Stock Exchange (the "**Exchange**");
2. The Amalgamation Agreement be and is hereby ratified, confirmed and approved;
3. Notwithstanding that the above resolutions have been passed and that the Amalgamation Agreement and the Amalgamation have been adopted by the registered holders of common shares, Class B common shares and preferred shares in the capital of Acclaro (collectively, the "**Acclaro Shareholders**"), the directors of Acclaro are hereby authorized and empowered, without further notice to or approval of the Acclaro Shareholders, (i) to amend the Amalgamation Agreement to the extent permitted by the Amalgamation Agreement and subject to the approval of the Exchange, and (ii) subject to the terms and conditions of the Amalgamation Agreement, to determine not to proceed with the Amalgamation; and
4. Any director or officer of Acclaro be and is hereby authorized as the "**Authorized Signatory**" of Acclaro to:
 - a) execute and deliver for and on behalf of Acclaro, under the common seal of Acclaro or otherwise, such agreements, directions, certificates, acknowledgements, instructions, receipts, instruments and other documents of any kind whatsoever in such form and with such amendments or variations as he deems necessary, appropriate or expedient in the circumstances; and
 - b) do or cause to be done all such other acts or things for or on behalf of Acclaro as may be, in his sole discretion, necessary, appropriate or expedient in the circumstances,

for the purpose of giving full effect to these resolutions and the completion of the matters contemplated herein, and the execution and delivery by the Authorized Signatory of any agreement, direction, certificate, acknowledgement, instruction, receipt, instrument or other document of any kind whatsoever in the name of or on behalf of Acclaro in

connection with any matter contemplated by these resolutions shall be binding on Acclaro and shall be conclusively presumed to be the act of Acclaro.

SCHEDULE “H”

FORMS OF CONSOLIDATION RESOLUTION, NAME CHANGE RESOLUTION, CAPITAL ALTERATION RESOLUTION AND REVERSE TAKEOVER RESOLUTION

Consolidation Resolution:

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. Subject to the acceptance by the Canadian National Stock Exchange, Bastion Resources Ltd. (“**Bastion**”) is hereby authorized to consolidate the issued and outstanding common shares of Bastion (the “**Bastion Common Shares**”) by a ratio of 2.5:1 (the “**Share Consolidation**”) to take effect immediately prior to the closing of the reverse takeover pursuant to which Bastion will effectively acquire all of the issued and outstanding securities of Acclaro Mining Corporation Any resulting fractional shares shall be either rounded up or down to the nearest whole common share;
2. Notwithstanding the foregoing, the directors of Bastion are hereby authorized, without further approval of or notice to the shareholders of Bastion, to revoke this special resolution at any time prior to the filing of articles of amendment giving effect to the Share Consolidation;
3. Upon articles of amendment having become effective in accordance with the Business Corporations Act (British Columbia), the articles of Bastion are amended accordingly; and
4. Any director or officer of Bastion is hereby authorized for and on behalf of Bastion to execute and deliver all such instruments and documents and to perform and do all such acts and things as may be deemed advisable in such individual's discretion for the purpose of giving effect to this special resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.

Name Change Resolution:

WHEREAS, Bastion Resources Ltd. (“**Bastion**”) proposes to change its name to “Pan American Fertilizer Corp.”, or such other name as may be acceptable to applicable regulatory authorities (the “**Name Change**”);

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. Subject to the acceptance by the Canadian National Stock Exchange, the Name Change is hereby authorized and approved;
2. Notwithstanding the foregoing, the directors of Bastion are hereby authorized, without further approval of or notice to the shareholders of Bastion, to revoke this special resolution at any time; and

3. Any director or officer of Bastion is hereby authorized and directed, for and on behalf of Bastion, to do all such things and to execute such documents, whether under the corporate seal of Bastion or otherwise, that may be necessary to give effect to the foregoing resolution.

Condition for Alteration of Articles

FURTHER RESOLVED THAT:

1. The alteration to the Articles of Bastion referred to above does not take effect until the Notice of Alteration to the Notice of Articles of Bastion has been filed with the Registrar of Companies (the “Registrar”) and takes effect;
2. McMillan LLP be appointed as the agent for Bastion to electronically file the Notice of Alteration (Form 11) with the Registrar;
3. Notwithstanding the foregoing, the directors of Bastion are hereby authorized, without further approval of or notice to the shareholders of Bastion, to revoke this special resolution at any time; and
4. Any director or officer of Bastion is hereby authorized and directed, for and on behalf of Bastion, to do all such things and to execute such documents, whether under the corporate seal of Bastion or otherwise, that may be necessary to give effect to the foregoing resolution.

Capital Alteration Resolution:

BE IT RESOLVED AS SPECIAL RESOLUTIONS THAT:

1. The authorized share structure of Bastion be altered by creating Preferred shares without par value (the “Bastion Preferred Shares”);
2. There be created and attached to the Bastion Preferred Shares the special rights and restrictions set out in Part 26 of the Articles of Bastion as adopted by paragraph 4 of this resolution;
3. The maximum number of Bastion Preferred Shares that Bastion is authorized to issue is established as 4,852,950 shares;
4. The Articles of Bastion be altered by adding the following as Part 26 the special rights and restrictions:

PART 26

BASTION PREFERRED SHARES

26.1 General – Bastion Preferred Shares are convertible into Bastion Common Shares as described below. Except as provided for pursuant to the BCBCA, the holders of the Bastion

Preferred Shares will not as such be entitled to receive notice of, attend or vote at any general meetings of the Shareholders of Bastion.

26.2 Voting Rights – Except meetings at which holders the Bastion Preferred Shares are entitled under the BCBCA to vote separately as a class or series, the holders of Bastion Preferred Shares shall have no voting rights and shall not be entitled to receive notice of or to attend at any meeting of the shareholders of Bastion.

26.3 Dividends – The holders of Bastion Preferred Shares shall not be entitled to receive any dividends out of monies of Bastion properly applicable to the payment of dividends.

26.4 Conversion on Attainment of Milestones – Each Bastion Preferred Share will be automatically converted into one Bastion Common Share, on a pro rata basis among the holders of the Bastion Preferred Shares, upon Bastion attaining certain performance milestones (collectively, the “**Milestones**”), as follows:

- (a) an aggregate of 970,590 Bastion Preferred Shares will be converted into an aggregate of 970,590 Bastion Common Shares upon Bastion generating total revenues of at least \$5,000,000 in accordance with International Financial Reporting Standards (“**IFRS**”) within 12 months of the issuance date of the Bastion Preferred Shares (the “**Issuance Date**”);
- (b) an aggregate of 970,590 Bastion Preferred Shares will be converted into an aggregate of 970,590 Bastion Common Shares upon Bastion generating total revenues of at least \$10,000,000 (which for greater certainty, includes the revenues referenced in (a) above) in accordance with IFRS within 24 months of the Issuance Date;
- (c) an aggregate of 970,590 Bastion Preferred Shares will be converted into an aggregate of 970,590 Bastion Common Shares upon Bastion generating total revenues of at least \$15,000,000 (which for greater certainty includes the revenues referenced in (a) and (b) above) in accordance with IFRS within 36 months of the Issuance Date;
- (d) an aggregate of 970,590 Bastion Preferred Shares will be converted into an aggregate of 970,590 Bastion Common Shares upon Bastion preparing and delivering a technical report with respect to the Estela Cecilia Property that is in material compliance with National Instrument 43-101 (“**NI 43-101**”) that establishes the existence of at least 25,000,000 tonnes of calcium sulphate dihydrate categorized as “proven mineral reserves” (as such term is defined in NI 43-101) within 96 months of the Issuance Date; and
- (e) an aggregate of 970,590 Bastion Preferred Shares will be converted into an aggregate of 970,590 Bastion Common Shares upon Bastion preparing and delivering a technical report with respect to the Estela Cecilia Property that is in material compliance with NI 43-101 that establishes the existence of at least 50,000,000 tonnes of calcium sulphate dihydrate categorized as “proven mineral reserves” (as such term is defined in NI 43-101) (which for greater certainty

includes the proven reserves referenced in (d) above) within 96 months of the Issuance Date.

26.5 Automatic Conversion on Change of Control or Change of Business Focus – In the event of:

- (a) a change of business focus by Bastion as determined by the Bastion Board, including, but not limited to, a decision to focus on a different line of business, products or services other than the exploration for, or production or sale of, calcium sulphate, or otherwise; or
- (b) a change of control of Bastion, which shall include, but not be limited to, a takeover, reverse takeover, merger or reorganization of Bastion, including a Capital Reorganization (as defined below), or a transfer of a majority of the outstanding shares of Bastion to a new controlling shareholder,

any outstanding Bastion Preferred Shares will be automatically converted into Bastion Common Shares.

26.6 Conversion Procedure – Effective as of any conversion of Bastion Preferred Shares, Bastion shall issue to the holder of such Bastion Preferred Shares a certificate representing duly issued, fully paid and non-assessable Bastion Common Shares, on the basis of one Bastion Common Share for each converted Bastion Preferred Share.

26.7 Capital Alteration – In the event that the Bastion Common Shares are at any time subdivided or consolidated into a greater or lesser number of Bastion Common Shares, the number of Bastion Preferred Shares shall be proportionately increased or reduced so as to preserve in all respects the benefits hereby conferred on the holders of the Bastion Preferred Shares, including the issuance of a proportionate number of Bastion Common Shares to such holders of Bastion Preferred Shares upon the conversion of the Bastion Preferred Shares.

26.8 Capital Reorganization

- (a) If and whenever there is a reorganization of Bastion, a reclassification, redesignation or recapitalization of its securities, or a consolidation, merger or amalgamation of Bastion with or into another body corporate, including a transaction whereby all or substantially all of the undertaking and assets of Bastion become property of any other company (any such event being herein called a “**Capital Reorganization**”), a holder of a Bastion Preferred Share that has not been converted before the effective date of the Capital Reorganization will be entitled to receive and will accept, on a conversion of the Bastion Preferred Shares at any time after the effective time of the Capital Reorganization, in lieu of the share consideration which the holder would otherwise have been entitled to on conversion of the Bastion Preferred Shares:
 - (i) such shares, warrants, or other securities or property of Bastion, or of such continuing, successor or purchasing company, as the case may be, and such cash, as the holder would have been entitled to receive as a result of the Capital Reorganization if at the time of the Capital Reorganization the holder had held the number of Bastion Common Shares to which the holder would have been entitled

to receive on conversion of the Bastion Preferred Shares if the Capital Reorganization had not occurred, and

- (ii) such other cash, property and securities that the holder of the Bastion Preferred Shares would have been entitled to receive as a holder of record of Bastion Common Shares, including payments by way of dividends and other corporate distributions, reductions of capital and proceeds of redemption, if the holder had held each such security from the time of the Capital Reorganization until the exchange or the earlier redemption of the security.
- (b) No Capital Reorganization will be carried into effect unless all necessary steps have been taken so that the holders of the Bastion Preferred Shares that have not been converted will thereafter be entitled to receive such shares, warrants, other securities, property and cash to which they are entitled under Section 26.8(a).

26.9 Automatic Cancellation

- (a) In the event that any of the Milestones have not been attained by the date that is eight (8) years from the Issuance Date, any Bastion Preferred Shares then outstanding will be cancelled, with no consideration payable by Bastion to the holders of the Bastion Preferred Shares.
- (b) In the event that:
 - (i) any employee, officer or consultant of or to Bastion who is a holder of Bastion Preferred Shares, but is not a director of Bastion, resigns from all positions held with Bastion, whether as an employee or officer, or otherwise, or elects to terminate any consulting agreement between the holder of the Bastion Preferred Shares and Bastion; or
 - (ii) Bastion determines to terminate any consulting or employment agreement (each, a “**Bastion Agreement**”) with a holder of Bastion Preferred Shares due to:
 - (A) the failure of the holder of the Bastion Preferred Shares to properly discharge their lawful duties under the Bastion Agreement,
 - (B) the material breach or non-observance by the holder of the Bastion Preferred Shares of any material provision of the Bastion Agreement. which breach or non-observance cannot be remedied by the holder of the Bastion Preferred Shares within a period of thirty (30) days,
 - (C) the conviction of the holder of the Bastion Preferred Shares for any crime respecting the property of Bastion, or which calls into question the personal honesty of the holder of the Bastion Preferred Share, or
 - (D) any breach by the holder of the Bastion Preferred Shares of the fiduciary duties normally owed by a director or officer of a corporation, including

the duty to avoid conflicts of interest, and to act honestly and in good faith with a view to the best interests Bastion,

any Bastion Preferred Shares held by such holder of Bastion Preferred Shares shall be immediately cancelled, with no consideration payable by Bastion to such holder of Bastion Preferred Shares.

26.10 Dissolution or Winding Up of Bastion – The holders of Bastion Preferred Shares will not be entitled to participate, on a pro rata basis with holders of Bastion Common Shares, in any distribution of the property or assets of Bastion in the event of the liquidation, dissolution or winding up of Bastion, or other distribution of the assets of Bastion among its shareholders for the purpose of winding-up its affairs.

26.11 Non-Transferable – The Bastion Preferred Shares shall be non-transferable.

26.12 No Fractional Shares – Notwithstanding any other provision hereof, no fractional shares shall be issued upon any conversion of Bastion Preferred Shares and the number of Bastion Common Shares to be issued will be rounded down to the nearest whole share if the fractional number to be received is less than 0.5 or rounded up to the nearest whole share if the fractional number to be received is 0.5 or higher.

26.13 Reservation of Shares Issuable Upon Conversion – Bastion shall at all times reserve and keep available out of the authorized but unissued Bastion Common Shares a sufficient number of Bastion Common Shares and such other shares, securities and property, as the case may be, to effect the conversion of all outstanding Bastion Preferred Shares into Bastion Common Shares, and Bastion will take any corporate action which may, in the opinion of its legal counsel, be necessary in order to enable and effect the full conversion thereof in accordance with the provisions hereof.”

5. The Articles of Bastion be altered by the addition of Part 26 set out above, such alteration not to take effect until:
 - (a) these resolutions are signed and received for deposit at Bastion’s record office;
 - (b) the Notice of Alteration is electronically filed with the Registrar of Companies (the “Registrar”); and
 - (c) the Notice of Articles is altered to reflect the alterations set out in these resolutions.
6. Any one director of Bastion is authorized to execute under seal of Bastion or otherwise and to deliver all agreements, documents, instruments and to take all further action as may be required to give effect to these resolutions;
7. McMillan LLP be appointed as Bastion’s agent to electronically file the Notice of Alteration to the Notice of Articles with the Registrar;

8. The directors be authorized to delay or abandon the implementation of this special resolution in their discretion; and
9. Any director or officer of Bastion is hereby authorized and directed, for and on behalf of Bastion, to do all such things and to execute such documents, whether under the corporate seal of Bastion or otherwise, that may be necessary to give effect to the foregoing resolution.

Reverse Takeover Resolution

WHEREAS Bastion Resources Ltd. (“**Bastion**”), 0934448 B.C. Ltd. and Acclaro Mining Corporation (“**Acclaro**”) entered into an Amalgamation Agreement (the “**Amalgamation Agreement**”) dated March 23, 2012 whereby Bastion agreed, among other things, to acquire all of the issued and outstanding common shares in the capital of Acclaro by way of a “three-cornered” amalgamation, as more particularly described in the management information circular of Bastion dated March 26, 2012 (the “**Proposed Transaction**”);

AND WHEREAS the transactions contemplated by the Amalgamation Agreement are intended to constitute a reverse takeover for the purposes of the policies of the Canadian National Stock Exchange;

RESOLVED THAT:

1. The Proposed Transaction is hereby approved;
2. Notwithstanding the foregoing, the directors of Bastion are hereby authorized, without further approval of or notice to the shareholders of Bastion, to revoke this resolution at any time prior to the closing of the Proposed Transaction; and
3. Any director or officer of Bastion is hereby authorized and directed, for and on behalf of Bastion, to do all such things and to execute such documents, whether under the corporate seal of Bastion or otherwise, that may be necessary to give effect to the foregoing resolutions.

SCHEDULE "F"

BASTION MATERIAL CONTRACTS

1. Consulting Agreement dated April 30, 2010 between Bastion and Derrick Strickland
2. Consulting Agreement dated April 30, 2010 between Bastion and Hughes
3. Consulting Agreement dated April 30, 2010 between Bastion and Lee
4. Consulting Agreement dated June 21, 2010 between Bastion and Grant Kemp